

English Translation of Financial Statements and a Report Originally Issued in Chinese

Ticker: 3189

Kinsus Interconnect Technology Corp. and Subsidiaries
Consolidated Financial Statements
With Review Report of Independent Auditors
As of September 30, 2023 and 2022
And For The Nine-month Periods Then Ended

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The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

English Translation of Financial Statements and a Report Originally Issued in Chinese

**Consolidated Financial Statements
Index**

Item	Page
1. Cover sheet	1
2. Index	2
3. Independent Auditors' Review Report	3-5
4. Consolidated balance sheets	6-7
5. Consolidated statements of comprehensive income	8
6. Consolidated statements of changes in equity	9
7. Consolidated statements of cash flows	10
8. Footnotes to the consolidated financial statements	
(1) History and organization	11
(2) Date and procedure of authorization for financial statements issuance	11
(3) Newly issued or revised standards and interpretations	11-14
(4) Summary of material accounting policies	15-21
(5) Significant accounting judgments, estimates and assumptions	21
(6) Contents of significant accounts	22-66
(7) Related party transactions	66-71
(8) Assets pledged as security	71
(9) Significant contingencies and unrecognized contract commitments	71-72
(10) Losses due to major disasters	72
(11) Significant subsequent events	72
(12) Other	73-85
(13) Additional disclosures	
1. Information on significant transactions	86
2. Information on investees	86-87
3. Information on investments in Mainland China	88-94
4. Information on major shareholders	94
(14) Segment information	94-96

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REVIEW REPORT OF INDEPENDENT AUDITORS

To The Board of Directors of
Kinsus Interconnect Technology Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of Kinsus Interconnect Technology Corp. (the “Company”) and its subsidiaries as of September 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the related consolidated statements of changes in equity and cash flows for the nine-month periods then ended, and notes to the consolidated financial statements, including the summary of material accounting policies (together “the consolidated financial statements”). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

(To be continued)

(Continued)

Basis for Qualified Conclusion

As explained in Note 6(8), the financial statements of the associate and joint venture accounted for under the equity method was not reviewed by independent auditors. The carrying values of the associate and joint venture under equity method amounted to NT\$387,439 thousand and NT\$380,868 thousand as of September 30, 2023 and 2022, respectively. The related shares of profits from the associate and joint venture under the equity method amounted to NT\$(6,576) thousand, NT\$(1,170) thousand, NT\$(13,722) thousand and NT\$50,028 thousand for the three-month and nine-month periods then ended September 30, 2023 and 2022, respectively. The related shares of other comprehensive income from the associate and joint venture under the equity method amounted to NT\$10,229 thousand, NT\$3,111 thousand, NT\$20,038 thousand and NT\$5,835 thousand for the three-month and nine-month periods then ended September 30, 2023 and 2022, respectively.

Qualified Conclusion

Based on our review and the review reports of the other independent auditors (please refer to the Other Matter paragraph of our report), except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of the associate and joint venture accounted for using equity method been reviewed by independent auditors described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of September 30, 2023 and 2022, and their consolidated financial performance for the three-month and nine-month periods then ended and cash flows for the nine-month periods then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

(To be continued)

(Continued)

Other Matter – Making Reference to the Review of Other Independent Auditors

We did not audit the financial statements of certain invested associates accounted for using the equity method by the Group. The financial statements of certain invested associates as of September 30, 2023 and for the three-month and the nine-month periods then ended September 30, 2023, were reviewed by other auditor, whose report thereon has been furnished to us. Our review, insofar as it related to the investment in the associate accounted for using the equity method amounted to NT\$49,966 thousand as of September 30, 2023, the related shares of profit or loss of associates and joint ventures accounted for using the equity method for the three-month and the nine-month periods then ended both amounting to NT\$(34) thousand, and the related shares of other comprehensive income of associates and joint ventures accounted for using the equity method for the three-month and the nine-month periods then ended both amounting to NT\$0.

/s/Chang, Chih Ming

/s/Chen, Kuo Shuai

Ernst & Young, Taiwan
October, 30th, 2023

Notices to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Balance Sheets

As of September 30, 2023, December 31, 2022 and September 30, 2022

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of September 30, 2023		As of December 31, 2022		As of September 30, 2022	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	\$17,377,018	23	\$16,684,198	23	\$12,779,069	19
1110	Financial assets at fair value through profit or loss	6(2)	1,342,200	2	1,218,551	2	690,913	1
1136	Financial assets measured at amortized cost	6(3)	2,097,469	3	20,057	-	20,057	-
1150	Notes receivable, net	6(5)	5,652	-	11,200	-	-	-
1170	Accounts receivable, net	6(6)	3,731,727	5	5,035,681	7	7,065,808	10
1180	Accounts receivable-related parties, net	6(6), 7	161	-	2,924	-	6,166	-
1200	Other receivables		310,927	-	606,035	1	1,040,027	2
1210	Other receivables-related parties	7	-	-	-	-	9	-
1310	Inventories, net	6(7)	2,694,392	3	3,480,943	5	3,986,791	6
1410	Prepayments	7	1,199,946	2	659,751	1	647,639	1
1470	Other current assets		228,637	-	380,949	-	312,239	-
11xx	Total current assets		<u>28,988,129</u>	<u>38</u>	<u>28,100,289</u>	<u>39</u>	<u>26,548,718</u>	<u>39</u>
	Non-current assets							
1517	Financial assets at fair value through OCI	6(4)	51,000	-	51,000	-	51,000	-
1550	Investment accounted for using the equity method	6(8)	437,405	1	381,123	1	380,868	1
1600	Property, plant and equipment	6(9), 7, 8, 9	31,428,328	41	31,552,538	43	31,492,918	46
1755	Right-of-use asset	6(23), 7	449,151	1	517,233	1	566,227	1
1780	Intangible assets	6(10)	40,140	-	48,023	-	50,746	-
1840	Deferred income tax assets	4	41,815	-	27,386	-	30,410	-
1900	Other non-current assets	6(11), 7, 8, 9	193,271	-	119,314	-	80,904	-
1915	Prepayment for acquiring machinery	6(9), 9	14,768,202	19	11,836,510	16	8,871,813	13
15xx	Total non-current assets		<u>47,409,312</u>	<u>62</u>	<u>44,533,127</u>	<u>61</u>	<u>41,524,886</u>	<u>61</u>
1xxx	Total Assets		<u>\$76,397,441</u>	<u>100</u>	<u>\$72,633,416</u>	<u>100</u>	<u>\$68,073,604</u>	<u>100</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Balance Sheets (Continued)

As of September 30, 2023, December 31, 2022 and September 30, 2022

(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of September 30, 2023		As of December 31, 2022		As of September 30, 2022	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term borrowings	6(12)	\$971,441	1	\$376,620	-	\$1,910,678	3
2130	Contract liability	6(21)	132,638	-	112,683	-	146,881	-
2150	Notes payable		227,250	-	24,330	-	26,662	-
2170	Accounts payable		1,841,469	3	2,148,750	3	2,619,049	4
2200	Other payables	6(13), 7	5,090,537	7	8,624,862	12	8,556,919	13
2230	Current income tax liabilities	4	973,580	1	1,926,949	3	1,587,034	2
2280	Lease liability	6(23), 7	131,531	-	132,253	-	140,513	-
2300	Other current liabilities	6(14)	1,754,651	3	1,481,521	2	1,351,308	2
2365	Refund liability	6(15)	231,692	-	545,781	1	601,705	1
21xx	Total current liabilities		11,354,789	15	15,373,749	21	16,940,749	25
	Non-current liabilities							
2527	Contract liability	6(21)	5,393,959	7	2,441,184	4	938,849	1
2540	Long-term borrowings	6(16), 8	15,686,667	21	10,770,014	15	10,382,556	15
2570	Deferred income tax liabilities	4	61,394	-	37,335	-	38,137	-
2580	Lease liability	6(23), 7	162,046	-	231,107	-	267,112	1
2600	Other non-current liabilities	6(17)	5,208,890	7	4,964,134	7	2,178,231	3
25xx	Total non-current liabilities		26,512,956	35	18,443,774	26	13,804,885	20
2xxx	Total liabilities		37,867,745	50	33,817,523	47	30,745,634	45
31xx	Equity attributable to shareholders of the parent							
3100	Capital	6(19)						
3110	Common stock		4,544,746	6	4,527,761	6	4,527,761	7
3200	Capital surplus	6(19)	7,156,024	9	6,860,826	9	6,859,378	10
3300	Retained earnings	6(19)						
3310	Legal reserve		4,789,190	6	4,087,701	5	4,087,701	6
3320	Special reserve		147,938	-	203,108	1	203,108	-
3350	Unappropriated earnings		14,921,443	20	18,826,225	26	17,594,267	26
3400	Other components of equity		(106,165)	-	(183,871)	-	(148,813)	-
3500	Treasury Stock	6(19)	(75)	-	(50)	-	-	-
36xx	Non-controlling interests	6(19)	7,076,595	9	4,494,193	6	4,204,568	6
3xxx	Total equity		38,529,696	50	38,815,893	53	37,327,970	55
	Total liabilities and equity		\$76,397,441	100	\$72,633,416	100	\$68,073,604	100

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
Kinsus Interconnect Technology Corp. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the three-month and nine-month periods ended September 30, 2023 and 2022
(Amounts Expressed In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	For the three-month period ended September 30,				For the nine-month period ended September 30,			
			2023		2022		2023		2022	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenues	6(21), 7	\$6,046,171	100	\$11,544,421	100	\$19,342,724	100	\$33,012,291	100
5000	Operating costs	6(7)	(4,680,833)	(77)	(7,046,554)	(61)	(14,897,002)	(77)	(20,742,881)	(63)
5900	Gross profit		1,365,338	23	4,497,867	39	4,445,722	23	12,269,410	37
6000	Operating expenses	7								
6100	Sales and marketing		(202,050)	(3)	(230,408)	(2)	(602,023)	(3)	(699,531)	(2)
6200	General and administrative		(687,528)	(11)	(694,274)	(6)	(1,831,850)	(10)	(2,014,713)	(6)
6300	Research and development		(599,020)	(10)	(657,726)	(6)	(1,738,054)	(9)	(1,832,514)	(6)
6450	Expected credit (losses) gains	6(22)	(16,806)	-	2,628	-	(16,243)	-	(584)	-
	Total operating expenses		(1,505,404)	(24)	(1,579,780)	(14)	(4,188,170)	(22)	(4,547,342)	(14)
6900	Operating income (losses)		(140,066)	(1)	2,918,087	25	257,552	1	7,722,068	23
7000	Non-operating incomes and expenses									
7100	Interest incomes	6(25)	145,633	2	18,748	-	358,794	2	48,307	-
7010	Other incomes	6(25), 7	45,170	1	142,156	1	99,153	1	286,685	1
7020	Other gains and losses	6(25)	27,027	-	74,785	1	82,303	-	250,576	1
7050	Finance costs	6(25), 7	(93,692)	(2)	(55,846)	-	(242,880)	(1)	(121,274)	-
7060	Share of profit or loss of associates and joint ventures accounted for using equity method	6(8)	(6,610)	-	(1,170)	-	(13,756)	-	50,028	-
	Total non-operating incomes and expenses		117,528	1	178,673	2	283,614	2	514,322	2
7900	Income (losses) before income tax		(22,538)	-	3,096,760	27	541,166	3	8,236,390	25
7950	Income tax expense	4, 6(27)	(69,762)	(1)	(655,493)	(6)	(150,803)	(1)	(1,779,078)	(5)
8200	Net income (losses)		(92,300)	(1)	2,441,267	21	390,363	2	6,457,312	20
8300	Other comprehensive income\	6(26)								
8360	Items that may be reclassified subsequently to profit or loss									
8361	Exchange differences resulting from translating the financial statements of a foreign operation		129,663	2	43,226	1	35,896	-	96,331	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using the equity method		10,229	-	3,111	-	20,038	-	5,835	-
	Total other comprehensive income (net of tax)		139,892	2	46,337	1	55,934	-	102,166	-
8500	Total comprehensive income		\$47,592	1	\$2,487,604	22	\$446,297	2	\$6,559,478	20
8600	Net income (losses) attributable to:									
8610	Shareholders of the parent		\$(343,033)	(5)	\$2,160,635	19	\$(315,868)	(2)	\$5,785,708	18
8620	Non-controlling interests		250,733	4	280,632	2	706,231	4	671,604	2
			\$(92,300)	(1)	\$2,441,267	21	\$390,363	2	\$6,457,312	20
8700	Comprehensive income attributable to:									
8710	Shareholders of the parent		\$(207,167)	(3)	\$2,205,811	19	\$(252,903)	(1)	\$5,886,992	18
8720	Non-controlling interests		254,759	4	281,793	3	699,200	3	672,486	2
			\$47,592	1	\$2,487,604	22	\$446,297	2	\$6,559,478	20
9750	Basic earnings (losses) per share (in NT\$)	6(28)	\$(0.76)		\$4.79		\$(0.70)		\$12.83	
9850	Diluted earnings (losses) per share (in NT\$)	6(28)	\$(0.76)		\$4.68		\$(0.70)		\$12.52	

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Statements of Changes in Equity

For the nine-month periods ended September 30, 2023 and 2022

(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent									Non-controlling Interests	Total Equity
		Common Stock	Capital Surplus	Retained Earnings			Others		Treasury Stock	Total		
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Unearned Employee Benefit				
		3100	3200	3310	3320	3350	3410	3490	3500	31XX	36XX	3XXX
A1	Balance as of January 1, 2022	\$4,508,441	\$6,633,051	\$3,700,821	\$181,016	\$14,249,110	\$(203,107)	\$-	\$-	\$29,069,332	\$3,919,766	\$32,989,098
	Appropriation and distribution of 2021 earnings											
B1	Legal reserve			386,880		(386,880)				-		-
B3	Special reserve				22,092	(22,092)				-		-
B5	Cash dividends of ordinary share					(2,028,798)				(2,028,798)		(2,028,798)
D1	Net income for the nine-month period ended September 30, 2022					5,785,708				5,785,708	671,604	6,457,312
D3	Other comprehensive income , net of tax, for the nine-month period ended September 30, 2022						101,284			101,284	882	102,166
D5	Total comprehensive income	-	-	-	-	5,785,708	101,284	-	-	5,886,992	672,486	6,559,478
H3	Reorganization		37							37	(5,801)	(5,764)
M5	Difference between consideration and carrying amount of subsidiaries acquired or disposed		(292)			(2,781)				(3,073)	10,130	7,057
N1	Share-based payments		498							498		498
O1	Non-controlling interests increase (decrease)										(392,013)	(392,013)
T1	Restricted employee stocks and others	19,320	226,084					(46,990)		198,414		198,414
Z1	Balance as of September 30, 2022	<u>\$4,527,761</u>	<u>\$6,859,378</u>	<u>\$4,087,701</u>	<u>\$203,108</u>	<u>\$17,594,267</u>	<u>\$(101,823)</u>	<u>\$(46,990)</u>	<u>\$-</u>	<u>\$33,123,402</u>	<u>\$4,204,568</u>	<u>\$37,327,970</u>
A1	Balance as of January 1, 2023	\$4,527,761	\$6,860,826	\$4,087,701	\$203,108	\$18,826,225	\$(147,938)	\$(35,933)	\$(50)	\$34,321,700	\$4,494,193	\$38,815,893
	Appropriation and distribution of 2022 earnings											
B1	Legal reserve			701,489		(701,489)				-		-
B3	Special reserve				(55,170)	55,170				-		-
B5	Cash dividends of ordinary share					(2,943,012)				(2,943,012)		(2,943,012)
D1	Net income for the nine-month period ended September 30, 2023					(315,868)				(315,868)	706,231	390,363
D3	Other comprehensive income , net of tax, for the nine-month period ended September 30, 2023						62,965			62,965	(7,031)	55,934
D5	Total comprehensive income	-	-	-	-	(315,868)	62,965	-	-	(252,903)	699,200	446,297
O1	Non-controlling interests increase (decrease)										1,958,328	1,958,328
M7	Changes in ownership interests in subsidiaries		133,656							133,656	(75,126)	58,530
T1	Restricted employee stocks and others	16,985	161,542			417		14,741	(25)	193,660		193,660
Z1	Balance as of September 30, 2023	<u>\$4,544,746</u>	<u>\$7,156,024</u>	<u>\$4,789,190</u>	<u>\$147,938</u>	<u>\$14,921,443</u>	<u>\$(84,973)</u>	<u>\$(21,192)</u>	<u>\$(75)</u>	<u>\$31,453,101</u>	<u>\$7,076,595</u>	<u>\$38,529,696</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Statements of Cash Flows

For the nine-month periods ended September 30, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	For the nine-month periods ended September 30,		Code	Items	For the nine-month periods ended September 30,	
		2023	2022			2023	2022
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	\$541,166	\$8,236,390	B00040	Acquisition of financial assets at amortised cost	(2,077,412)	-
A20000	Adjustments:			B01800	Acquisition of investments accounted for using the equity method	(50,000)	-
A20010	Income and expense adjustments:			B02700	Acquisition of property, plant and equipment	(8,494,889)	(12,262,061)
A20100	Depreciation (including right-of-use assets)	3,930,003	3,692,173	B02800	Proceeds from disposal of property, plant and equipment	7,566	393,597
A20200	Amortization	57,189	56,869	B03800	Decrease in refundable deposits	14,094	10,901
A20300	Expected credit losses (gains)	16,243	584	B04500	Acquisition of intangible assets	(49,240)	(75,560)
A20400	Net gain on financial assets or liabilities at fair value through P/L	(15,973)	(2,013)	B05350	Acquisition of right-of-use assets	(82,574)	-
A20900	Interest expense	242,880	121,274	B09900	Others-proceeds from disposal of right-of-use assets	-	140,832
A21200	Interest income	(358,794)	(48,307)	BBBB	Net cash flows from (used in) investing activities	(10,732,455)	(11,792,291)
A21900	Share-based payments	108,636	38,616				
A22300	Share of profit or loss of associates and joint ventures	13,756	(50,028)	CCCC	Cash flows from financing activities:		
A22500	Loss (gain) on disposal of property, plant and equipment	(2,419)	(215,594)	C00100	Increase in short-term borrowings	594,821	810,832
A23700	Impairment loss on non-financial assets	11,893	34,953	C01600	Proceeds from long-term borrowings	7,160,000	2,754,270
A29900	Gain on lease modification	-	(99,459)	C01700	Repayments of long-term borrowings	(1,949,335)	(1,443,716)
A29900	Gain on government grants	(16,567)	(10,108)	C03000	Increase in deposits received	221,565	269,387
A29900	Loss from fire	-	2,526	C04020	Payments of lease liabilities	(105,774)	(80,759)
A30000	Changes in operating assets and liabilities:			C04500	Cash dividends paid	(3,438,175)	(2,028,798)
A31110	Decrease (increase) in financial assets at fair value through P/L	(107,676)	(72,820)	C04600	Proceeds from issuing shares	147,917	165,379
A31130	Decrease (increase) in notes receivable	5,548	4,200	C05800	Changes in non-controlling interests	2,453,491	(392,013)
A31150	Decrease (increase) in accounts receivable	1,287,063	(1,418,627)	CCCC	Net cash flows from (used in) financing activities	5,084,510	54,582
A31160	Decrease (increase) in accounts receivable-related parties	2,763	20,145				
A31180	Decrease (increase) in other receivables	349,838	(627,500)	DDDD	Effect of exchange rate changes	28,924	90,275
A31190	Decrease (increase) in other receivables-related parties	-	358				
A31200	Decrease (increase) in inventories	786,551	(520,847)	EEEE	Net increase (decrease) in cash and cash equivalents	692,820	(2,552,958)
A31230	Decrease (increase) in prepayments	(540,195)	(199,132)	E00100	Cash and cash equivalents at beginning of period	16,684,198	15,332,027
A31240	Adjustments for decrease (increase) in other current assets	152,312	59,943	E00200	Cash and cash equivalents at end of period	\$17,377,018	\$12,779,069
A31990	Decrease (increase) in net defined benefit assets	(5,477)	-				
A32125	Increase (decrease) in contract liabilities	2,972,730	35,531				
A32130	Increase (decrease) in notes payable	202,920	(1,974)				
A32150	Increase (decrease) in accounts payable	(307,281)	(267,828)				
A32180	Increase (decrease) in other payables	(1,642,087)	706,986				
A32230	Adjustments for increase (decrease) in other current liabilities	(57,499)	200,455				
A32240	Increase (decrease) in net defined benefit liabilities	-	(3,181)				
A32990	Increase (decrease) in refund liabilities	(314,089)	420,597				
A33000	Cash inflow (outflow) generated from operations	7,313,434	10,094,182				
A33100	Interest received	304,259	42,270				
A33300	Interest paid	(211,545)	(98,173)				
A33500	Income taxes paid	(1,094,307)	(943,803)				
AAAA	Net cash flows from (used in) operating activities	6,311,841	9,094,476				

(The accompanying notes are an integral part of the consolidated financial statements.)

1. HISTORY AND ORGANIZATION

Kinsus Interconnect Technology Corp. (referred to “the Company”) was established on September 11, 2000. Its main business activities include the manufacture of electronic products, the whole-sale and retail-sale of electronic materials, and the consultation services of business operation and management. The Company’s stocks have been governmentally approved on May 20, 2004 to be listed and traded in Taiwan Stock Exchange starting November 1, 2004. The registered business premise and main operation address is at No. 1245, Chung Hua Rd., Hsinwu District, Taoyuan City, Taiwan 32747.

Pegatron Corporation is the ultimate controller of the Group to which the Company belongs.

2. DATE AND PROCEDURE OF AUTHORIZATION FOR FINANCIAL STATEMENTS ISSUANCE

The consolidated financial statements of the Company and its subsidiaries (“the Group”) were authorized to be issued in accordance with a resolution of the Board of Directors’ meeting held on October 30, 2023.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

- (1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2023. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, but not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2024
b	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 1, 2024
c	Non-current Liabilities with Covenants – Amendments to IAS 1	January 1, 2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	January 1, 2024

(A) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(B) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

(C) Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

(D) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2024. The remaining standards and interpretations have no material impact on the Group.

(3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	January 1, 2023
c	Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

(a) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

(b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

(c) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after January 1, 2025.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. The new or amended standards and interpretations have no material impact on the Group.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(1) Statement of compliance

The consolidated financial statements for the nine-month period ended September 30, 2023 and 2022 have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and IAS 34 “Interim Financial Reporting,” as endorsed and became effective by the FSC.

Except for the following 4(4)~4(5), the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2022. For more details, please refer to Note 4 of the Company’s consolidated financial statements for the year ended December 31, 2022.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are presented in thousands of New Taiwan Dollars (“NT\$”) unless otherwise specified.

(3) Basis of consolidation

The same principles of consolidation have been applied in the Company’s consolidated financial statements as those applied in the Company’s consolidated financial statements for the year ended December 31, 2022. For the principles of consolidation, please refer to Note 4(3) of the Company’s consolidated financial statements for the year ended December 31, 2022.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

The consolidated entities are listed as follows:

Investor	Subsidiary	Main business	Percentage of Ownership (%), as of		
			Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
The Company	KINSUS CORP. (USA)	Designing substrates, formulating marketing strategy analysis, developing new customers, researching and development new product technology	100.00%	100.00%	100.00%
The Company	KINSUS HOLDING (SAMOA) LIMITED	Investing activities	100.00%	100.00%	100.00%
The Company	KINSUS INVESTMENT CO., LTD.	Investing activities	100.00%	100.00%	100.00%
The Company	PEGAVISION CORPORATION	Manufacture of medical equipment	2.33% (Note)	Not applicable	Not applicable
KINSUS HOLDING (SAMOA) LIMITED	KINSUS HOLDING (CAYMAN) LIMITED	Investing activities	100.00%	100.00%	100.00%
KINSUS HOLDING (SAMOA) LIMITED	PIOTEK HOLDINGS LTD. (CAYMAN)	Investing activities	51.00% (Note 3)	51.00%	51.00%
KINSUS INVESTMENT CO., LTD.	PEGAVISION CORPORATION	Manufacture of medical equipment	27.22% (Note)	30.33% (Note)	30.33% (Note)

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

Investor	Subsidiary	Main business	Percentage of Ownership (%), as of		
			Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
KINSUS HOLDING (CAYMAN) LIMITED	KINSUS INTERCONNECT TECHNOLOGY SUZHOU CORP.	Manufacturing and selling printed circuit board (PCB) (not high- density fine-line)	100.00%	100.00%	100.00%
KINSUS HOLDING (CAYMAN) LIMITED	XIANG-SHOU (SUZHOU) TRADING LIMITED	Trading of PCB related products and materials (not high- density fine-line)	-% (Note 2)	-% (Note 2)	-% (Note 2)
PIOTEK HOLDINGS LTD. (CAYMAN)	PIOTEK HOLDINGS LIMITED	Investing activities	100.00%	100.00%	100.00%
PIOTEK HOLDINGS LIMITED	PIOTEK COMPUTER (SUZHOU) CO., LTD.	Researching, developing, producing and selling electronic components, PCBs and related products and providing after- sale services	83.06% (Note 3)	100.00%	100.00%
PIOTEK HOLDINGS LIMITED	PIOTEK (H.K.) TRADING LIMITED	Trading activities	100.00%	100.00%	100.00%
KINSUS INTERCONNECT TECHNOLOGY SUZHOU CORP.	PIOTEK COMPUTER (SUZHOU) CO., LTD.	Researching, developing, producing and selling electronic components, PCBs and related products and providing after- sale services	8.64% (Note 3)	Not applicable	Not applicable

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

Investor	Subsidiary	Main business	Percentage of Ownership (%), as of		
			Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
PEGAVISION CORPORATION	PEGAVISION JAPAN INC.	Selling medical equipment	100.00%	100.00%	100.00%
PEGAVISION CORPORATION	PEGAVISION (JIANGSU) LIMITED	Producing and Selling medical equipment	100.00%	100.00%	100.00%
PEGAVISION CORPORATION	PEGAVISION CONTACT LENSES (SHANGHAI) CORPORATION	Selling medical equipment	-% (Note 1)	-% (Note 1)	100.00%
PEGAVISION CORPORATION	MAYIN INVESTMENT CO., LTD.	Investing activities	100.00%	100.00%	100.00%
MAYIN INVESTMENT CO., LTD.	BEAUTYTECH PLATFORM CORPORATION	Selling medical equipment and cosmetic products	85.00%	85.00%	85.00%
MAYIN INVESTMENT CO., LTD.	FACIALBEAU INTERNATIONAL CORPORATION	Selling medical equipment and cosmetic products	55.00%	55.00%	55.00%
BEAUTYTECH PLATFORM CORPORATION	PEGAVISION CONTACT LENSES (SHANGHAI) CORPORATION	Selling medical equipment	100.00% (Note 1)	100.00% (Note 1)	Not applicable
BEAUTYTECH PLATFORM CORPORATION	BEAUTYTECH PLATFORM (SHANGHAI) CORPORATION	Selling medical equipment and cosmetic products	100.00% (Note 1)	100.00% (Note 1)	100.00% (Note 1)

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

Investor	Subsidiary	Main business	Percentage of Ownership (%), as of		
			Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
BEAUTYTECH PLATFORM CORPORATION	BEAUTYTECH PLATFORM (SINGAPORE) PTE. LTD.	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%
PEGAVISION CONTACT LENSES (SHANGHAI) CORPORATION	GEMVISION TECHNOLOGY (ZHEJIANG) LIMITED	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%
FACIALBEAU INTERNATIONA L CORPORATION	FACIALBEAU (JIANGSU) CORPORATION	Selling medical equipment and cosmetic products	100.00% (Note 1)	100.00% (Note 1)	100.00% (Note 1)
FACIALBEAU INTERNATIONA L CORPORATION	IKIDO INC.	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%
FACIALBEAU INTERNATIONA L CORPORATION	RODNA CO., LTD.	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%
FACIALBEAU INTERNATIONA L CORPORATION	AQUAMAX VISION CORPORATION	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00

Note : The Group had 29.55%, 30.33% and 30.33% ownership of Pegavision Corporation as of September 30, 2023, December 31, 2022 and September 30, 2022. However, the Group possesses control over the entity as it has been the single largest shareholder since the Group invested in Pegavision Corporation. The Group and the parent company hold more than 45% of voting right while the remaining equity is individually held by numerous shareholders without contractual rights. The Group therefore has control over the entity.

The Company's subsidiary, Pegavision Corporation, conducted a cash capital increase by issuing 8,000,000 common shares at a price of NT\$310 per share in 2023. The capital increase record date was September 7, 2023. The Company's subsidiary, Kinsus Investment Co., Ltd., did not participate in the cash capital increase, reducing its ownership percentage from 30.33% to 27.22%. Instead, the Company participated in the cash capital increase and acquired 1,820,034 shares, resulting in an ownership percentage of 2.33% after the capital increase.

Note 1: To improve the synergy of the Group, the board of directors decided to reorganize and set up the Subsidiaries on July 26, 2021:

(a) The equity of Pegavision Contact Lenses (Shanghai) Corporation was transferred to BeautyTech Platform Corporation from Pegavision Corporation.

(b) BeautyTech Platform (Shanghai) Corporation which is 100% held by BeautyTech Platform Corporation was registered on January 24, 2022.

(c) FacialBeau (Jiangsu) Corporation which is 100% held by FacialBeau International Corporation was registered on February 25, 2022. The investment amount has not been remitted as on September 30, 2023.

Note 2: Xiang-Shou (Suzhou) Trading Limited has completed the cancellation of registration in July 2022.

Note 3: The Company's subsidiary, Piotek Computer (Suzhou) Co., Ltd., conducted a cash capital increase in September 2023. The Company's subsidiary, Piotek Holding Limited, did not participate in the cash capital increase, and its ownership percentage decreased from 100.00% to 83.06%. Instead, the Company's subsidiary, Kinsus Interconnect Technology Suzhou Corp, participated in the cash capital increase and its ownership percentage after the capital increase was 8.64%. However, the Company's subsidiary, Kinsus Holding (Samoa) Limited, maintained an ultimate consolidated ownership percentage of 51%.

(4) Post-employment benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(5) Income tax

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. Only current income tax expense is using the estimated average annual effective income tax rate while deferred income tax is recognized and measured in consistent with annual financial reporting in accordance with IAS 12, “Income Tax.” The impact of tax rate change in interim period, if any, is recognized in earnings, other comprehensive income or directly equity.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group’s consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The same significant accounting judgments, estimates and assumptions have been applied in the Company’s consolidated financial statements for the nine-month period ended September 30, 2023 as those applied in the Company’s consolidated financial statements for the year ended December 31, 2022. For significant accounting judgments, estimates and assumptions, please refer to Note 5 of the Company’s consolidated financial statements for the year ended December 31, 2022.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1)Cash and cash equivalents

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Cash and petty cash	\$5,262	\$4,580	\$3,643
Checking and saving	3,407,573	4,617,735	3,869,470
Time deposit	13,964,183	12,061,883	8,905,956
Total	<u>\$17,377,018</u>	<u>\$16,684,198</u>	<u>\$12,779,069</u>

(2)Financial assets at fair value through profit or loss

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Mandatorily measured at fair value through profit or loss:			
Money market fund	\$1,308,486	\$1,190,266	\$664,316
Valuation adjustment	33,714	28,285	26,597
Total	<u>\$1,342,200</u>	<u>\$1,218,551</u>	<u>\$690,913</u>
Current	<u>\$1,342,200</u>	<u>\$1,218,551</u>	<u>\$690,913</u>
Non-current	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>

Financial assets at fair value through profit or loss were not pledged.

(3)Financial assets measured at amortized cost

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Time deposit	<u>\$2,097,469</u>	<u>\$20,057</u>	<u>\$20,057</u>
Current	<u>\$2,097,469</u>	<u>\$20,057</u>	<u>\$20,057</u>
Non-current	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>

The Group transacts with financial institutions with good credit rating. Consequently, there is no significant credit risk.

Financial assets measured at amortized cost were not pledged.

(4) Financial assets at fair value through other comprehensive income

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Equity instruments investments measured at fair value through other comprehensive income-Non-current:			
Unlisted company stocks	\$51,000	\$51,000	\$51,000

Financial assets at fair value through other comprehensive income were not pledged.

(5) Notes receivable

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Notes receivable arising from operating activities	\$5,652	\$11,200	\$-
Less: loss allowance	-	-	-
Total	\$5,652	\$11,200	\$-

Notes receivable were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(22) for more details on loss allowance and Note 12 for details on credit risk.

(6)Accounts receivable and accounts receivable-related parties, net

A. Accounts receivable, net

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Accounts receivable, gross	\$3,799,504	\$5,086,567	\$7,093,475
Less: loss allowance	(67,777)	(50,886)	(27,667)
Subtotal	3,731,727	5,035,681	7,065,808
Accounts receivable-related parties, gross	161	2,924	6,166
Less: loss allowance	-	-	-
Subtotal	161	2,924	6,166
Total	\$3,731,888	\$5,038,605	\$7,071,974

B. Accounts receivable were not pledged.

C. The Group entered into factoring agreements with banks. Accounts receivable from selected customers are transferred to banks without recourse. Details of the agreed credit limits and accounts receivable transferred were as follows:

	Financial Institution	Accounts receivable be transferred (NT\$'000)	Interest Rate	Advance received (NT\$'000)	Collateral	Credit Limit
9/30/2023	Mega International Commercial Bank - LanYa Branch	\$136,604	-%	\$-	None	Note
12/31/2022	Mega International Commercial Bank - LanYa Branch	\$568,040	-%	\$-	None	Note

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

	Financial Institution	Accounts receivable be transferred (NT\$'000)	Interest Rate	Advance received (NT\$'000)	Collateral	Credit Limit
9/30/2022	Mega International Commercial Bank - LanYa Branch	\$684,969	-%	\$-	None	Note

Note: The Group did not sign a new factoring agreement after the expiration of the agreements. The credit limits were US\$30,000 thousand as of December 31, 2022 and September 30, 2022.

D. Accounts receivable are generally on 30-90 day terms. The total carrying amount as of September 30, 2023, December 31, 2022 and September 30, 2022, are NT\$3,799,665 thousand, NT\$5,089,491 thousand and NT\$7,099,641 thousand, respectively. Please refer to Note 6(22) for more details on loss allowance of accounts receivable for the periods ended September 30, 2023 and 2022. Please refer to Note 12 for more details on credit risk management.

(7) Inventories

A. Details of inventory:

	As of		
	9/30/2023 (NT\$'000)	12/31/2022 (NT\$'000)	9/30/2022 (NT\$'000)
Raw material	\$489,209	\$571,272	\$683,218
Supplies	43,540	71,742	80,403
Work in process	1,204,822	1,711,633	2,003,799
Finished goods	885,880	1,075,506	1,154,052
Merchandises	70,941	50,790	65,319
Total	<u>\$2,694,392</u>	<u>\$3,480,943</u>	<u>\$3,986,791</u>

B. For the three-month periods ended September 30, 2023 and 2022, the Group recognized NT\$4,680,833 thousand and NT\$7,046,554 thousand under the caption of costs of sale, respectively. For the nine-month periods ended September 30, 2023 and 2022, the Group recognized NT\$14,897,002 thousand and NT\$20,742,881 thousand under the caption of costs of sale, respectively. For the three-month periods ended September 30, 2023 and 2022, the Group recognized NT\$695,914 thousand and NT\$949,626 thousand, respectively, which included loss from inventory market decline, physical or inventory write-off obsolescence. For the nine-month periods ended September 30, 2023 and 2022, the Group recognized NT\$2,320,366 thousand and NT\$3,004,325 thousand, respectively, which included loss from inventory market decline, physical or inventory write-off obsolescence.

C. No inventories were pledged.

(8) Investments accounted for using the equity method

	9/30/2023		12/31/2022		9/30/2022	
	Carrying	Percentage	Carrying	Percentage	Carrying	Percentage
	amount	of	amount	of	amount	of
Investees	(NT\$'000)	ownership	(NT\$'000)	ownership	(NT\$'000)	ownership
		(%)		(%)		(%)
FuYang Technology	\$387,439	35.65%	\$381,123	35.65%	\$380,868	35.65%
Zhuhe Investment Co., Ltd.	49,966	29.41%	-	-%	-	-%
Total	<u>\$437,405</u>		<u>\$381,123</u>		<u>\$380,868</u>	

A. The Group invested cash in FuYang Technology Corp. during May 2016 for interest ownership of 36%. The investment is accounted for as an investment in associates due to the Group's ability to exercise its significant influence.

In May 2017, the Group participated in FuYang's cash offering by unproportionate investing NT\$479,422 thousand for 19,176,872 shares of FuYang and, therefore, recognized a capital surplus amounting to NT\$7,484 thousand. As a result of the offering, the Group's share interest on FuYang decreased to 35.65%.

In September 2023, the Group's subsidiaries, Kinsus Investment Co., Ltd. and PEGAVISION CORPORATION invested cash in Zhuhe Investment Co., Ltd. with amounts of NT\$30,000 thousand and NT\$20,000 thousand, with shareholding ratios of 17.65% and 11.76%, respectively. Each obtained one seat in the board of directors of Zhuhe Investment Co., Ltd. The investment is accounted for as an investment in associates due to the Group's ability to exercise its significant influence.

B. Investments in associates

As of September 30, 2023, December 31, 2022 and September 30, 2022, the aggregate carrying amount of the Group's interests in FuYang Technology Corp. and Zhuhe Investment Co., Ltd. was NT\$437,405 thousand, NT\$381,123 thousand and NT\$380,868 thousand, respectively. The aggregate financial information based on Group's share of FuYang Technology Corp. and Zhuhe Investment Co., Ltd. was as follows:

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Profit or loss from continuing operations	\$(6,610)	\$(1,170)	\$(13,756)	\$50,028
Other comprehensive income (post-tax)	10,229	3,111	20,038	5,835
Total comprehensive income	<u>\$3,619</u>	<u>\$1,941</u>	<u>\$6,282</u>	<u>\$55,863</u>

There were no contingent liabilities or capital commitments with respect to the investment in the associate as of September 30, 2023, December 31, 2022 and September 30, 2022. Nor any of the Group's share interest on FuYang and Zhuhe Investment were pledged as collateral.

C. The Group's investment accounted for using equity method in FuYang Technology as of September 30, 2023 and 2022 amounted to NT\$387,439 thousand and NT\$380,868 thousand while the related investment income/loss and joint venture income were NT\$(6,576) thousand, NT\$(1,170) thousand, NT\$(13,722) thousand and NT\$50,028 thousand for the three-month and nine-month period then ended September 30, 2023 and 2022, respectively. And other comprehensive income were NT\$10,229 thousand, NT\$3,111 thousand, NT\$20,038 thousand and NT\$5,835 thousand for the three-month and nine-month period then ended September 30, 2023 and 2022, respectively. Please note that the financial statements of the investee for the same correspondent periods were not reviewed.

The Group's investment accounted for using equity method in Zhuhe Investment as of September 30, 2023 amounted to NT\$49,966 thousand while the related investment income/loss and joint venture income were NT\$(34) thousand for the three-month and nine-month period then ended September 30, 2023. And other comprehensive income were NT\$0 for the three-month and nine-month period then ended September 30, 2023. Please note that the financial statements of the investee for the same correspondent periods were reviewed by other auditor.

D. No investment accounted for using equity method was pledged as collateral as of September 30, 2023, December 31, 2022 and September 30, 2022.

(9)Property, plant and equipment

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Owner occupied property, plant and equipment	<u>\$31,428,328</u>	<u>\$31,552,538</u>	<u>\$31,492,918</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

A. Owner occupied property, plant and equipment

	Land	Buildings	Machinery and equipment	Office Equipment	Transportation equipment	Other Equipment	Construction in progress and equipment awaiting inspection (including prepayment for equipment)	Total
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
<u>Cost:</u>								
As of 1/1/2023	\$6,307,423	\$10,488,132	\$34,095,174	\$324,058	\$29,807	\$8,062,156	\$17,145,404	\$76,452,154
Additions	-	7,400	290	280	-	165,029	6,422,632	6,595,631
Disposals	-	(24,239)	(151,587)	(502)	-	(100,799)	-	(277,127)
Exchange differences	-	112,486	53,861	1,175	239	19,941	6,498	194,200
Other changes	-	-	2,243,735	48,508	1,413	523,897	(2,817,553)	-
As of 9/30/2023	<u>\$6,307,423</u>	<u>\$10,583,779</u>	<u>\$36,241,473</u>	<u>\$373,519</u>	<u>\$31,459</u>	<u>\$8,670,224</u>	<u>\$20,756,981</u>	<u>\$82,964,858</u>
As of 1/1/2022	\$6,110,463	\$10,079,610	\$30,695,673	\$277,175	\$23,301	\$8,083,031	\$8,011,113	\$63,280,366
Additions	-	(2,483)	3,567	151	-	96,954	12,770,541	12,868,730
Disposals	-	-	(3,100,804)	(10,471)	-	(163,483)	-	(3,274,758)
Exchange differences	-	260,522	354,402	3,510	345	90,460	8,482	717,721
Other changes	196,960	130,157	6,566,294	62,127	4,127	395,488	(7,355,153)	-
Loss from fire	-	(63,680)	-	-	-	(20,955)	-	(84,635)
As of 9/30/2022	<u>\$6,307,423</u>	<u>\$10,404,126</u>	<u>\$34,519,132</u>	<u>\$332,492</u>	<u>\$27,773</u>	<u>\$8,481,495</u>	<u>\$13,434,983</u>	<u>\$73,507,424</u>
<u>Depreciation and impairment:</u>								
As of 1/1/2023	\$-	\$4,240,246	\$22,587,144	\$258,326	\$19,916	\$5,957,474	\$-	\$33,063,106
Depreciation	-	411,546	2,758,304	30,132	2,137	621,307	-	3,823,426
Impairment loss	-	-	-	-	-	11,893	-	11,893
Disposals	-	(24,239)	(146,440)	(502)	-	(100,799)	-	(271,980)
Exchange differences	-	73,837	48,828	1,034	215	17,969	-	141,883
Other changes	-	-	(804)	-	-	804	-	-
As of 9/30/2023	<u>\$-</u>	<u>\$4,701,390</u>	<u>\$25,247,032</u>	<u>\$288,990</u>	<u>\$22,268</u>	<u>\$6,508,648</u>	<u>\$-</u>	<u>\$36,768,328</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

							Construction in progress and equipment awaiting inspection (including prepayment for equipment)	
	Land	Buildings	Machinery and equipment	Office Equipment	Transportation equipment	Other Equipment		Total
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
As of 1/1/2022	\$-	\$3,510,712	\$22,709,441	\$236,568	\$17,449	\$5,721,728	\$-	\$32,195,898
Depreciation	-	383,472	2,591,386	27,984	1,669	602,809	-	3,607,320
Impairment loss	-	9,798	-	1,124	-	22,374	-	33,296
Disposals	-	-	(3,084,939)	(5,604)	-	(163,223)	-	(3,253,766)
Exchange differences	-	157,871	327,456	3,329	307	80,290	-	569,253
Loss from fire	-	(4,203)	-	-	-	(5,105)	-	(9,308)
As of 9/30/2022	\$-	\$4,057,650	\$22,543,344	\$263,401	\$19,425	\$6,258,873	\$-	\$33,142,693

Net carrying amount:

As of 9/30/2023	\$6,307,423	\$5,882,389	\$10,994,441	\$84,529	\$9,191	\$2,161,576	\$20,756,981	\$46,196,530
As of 12/31/2022	\$6,307,423	\$6,247,886	\$11,508,030	\$65,732	\$9,891	\$2,104,682	\$17,145,404	\$43,389,048
As of 9/30/2022	\$6,307,423	\$6,346,476	\$11,975,788	\$69,091	\$8,348	\$2,222,622	\$13,434,983	\$40,364,731

B. "Significant components" of buildings primarily comprised the main buildings and the facilities, which are depreciated based on their respective useful economic life of 20 to 25 years and 3 to 20 years.

C. Details of property, plant & equipment and prepayment for machinery was as follows:

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Property, plant and equipment	\$31,428,328	\$31,552,538	\$31,492,918
Prepayment for acquiring machinery	14,768,202	11,836,510	8,871,813
Total	\$46,196,530	\$43,389,048	\$40,364,731

D. For the three-month periods ended September 30, 2023 and 2022, NT\$0 and NT\$17,289 thousand impairment loss represented the write down of certain property, plant and equipment to the recoverable amount, respectively. For the nine-month period ended September 30, 2023 and 2022, NT\$11,893 thousand and NT\$33,296 thousand impairment loss represented the write down of certain property, plant and equipment to the recoverable amount, respectively. This had been recognized in the statement of comprehensive income. The recoverable value is measured at usage values by the individual units.

- E. Please refer to Note 8 for details on property, plant and equipment was pledged as collaterals.
- F. The Group purchased 40 parcels of land with a total area of 36,115.24 square meters. Lands are located at the addresses of No. 1113, 1114, 1438 to 1443, 1479, 1486 to 1487 at ShiLeiZi Sub-section, ShiLeiZi Section, No. 1044, 1047 to 1049 at QingHua Section, No. 0001 at RongHua Section, and No. 697 to 700 and 712 to 726 at Taipo Section, XinFeng Village. Due to regulatory restrictions, the agricultural land cannot be registered under the Company's name while it has been temporarily registered under the general manager's name. To secure the Company's right to the land, mortgage registration has been set aside with the Company being the obligee.
- G. The Group leased a factory area to FuYang Technology Corp. where a fire occurred on October 11, 2020. For the nine-month period ended September 30, 2022, the Group recognized property, plant and equipment-loss from fire in the amount of NT\$75,327 thousand, and the loss caused by the subsequent restoration of the plant was NT\$84,210 thousand. In the second quarter of 2022, the compensation of damage to buildings and equipment amounted to NT\$157,011 thousand, and the net loss from the abovementioned fire damage was NT\$2,526 thousand, which was listed under other gains and losses-loss from fire.

(10) Intangible assets

	Computer software (NT\$'000)
<u>Cost:</u>	
As of 1/1/2023	\$92,761
Additions – acquired separately	49,240
Derecognized upon retirement	(24,891)
Other changes	-
Exchange differences	296
As of 9/30/2023	<u>\$117,406</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

	Computer software (NT\$'000)
As of 1/1/2022	\$73,453
Additions – acquired separately	75,560
Derecognized upon retirement	(50,564)
Other changes	-
Exchange differences	1,228
As of 9/30/2022	\$99,677

Amortization and Impairment:

As of 1/1/2023	\$44,738
Amortization	57,189
Impairment loss	-
Derecognized upon retirement	(24,891)
Other changes	-
Exchange differences	230
As of 9/30/2023	\$77,266

As of 1/1/2022	\$40,235
Amortization	56,869
Impairment loss	1,657
Derecognized upon retirement	(50,564)
Other changes	-
Exchange differences	734
As of 9/30/2022	\$48,931

Net carrying amount:

As of 9/30/2023	\$40,140
As of 12/31/2022	\$48,023
As of 9/30/2022	\$50,746

Amounts of amortization recognized for intangible assets are as follows:

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Cost of goods sold	\$73	\$93	\$258	\$257
Sales and marketing	130	93	390	438
General and administrative	13,580	12,844	55,754	55,202
Research and development	244	276	787	972
Total	<u>\$14,027</u>	<u>\$13,306</u>	<u>\$57,189</u>	<u>\$56,869</u>

(11) Other non-current assets

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Refundable deposits	\$74,721	\$88,815	\$80,904
Net defined benefit assets	35,976	30,499	-
Prepayment for right-of-use assets	82,574	-	-
Total	<u>\$193,271</u>	<u>\$119,314</u>	<u>\$80,904</u>

(12) Short-term borrowings

	Interest Rates (%)	As of		
		9/30/2023	12/31/2022	9/30/2022
		(NT\$'000)	(NT\$'000)	(NT\$'000)
Unsecured bank loans	1.50% ~ 6.10%	<u>\$971,441</u>	<u>\$376,620</u>	<u>\$1,910,678</u>

The Group's unused short-term lines of credits amount to NT\$19,000,699 thousand, NT\$18,055,794 thousand and NT\$12,106,788 thousand, as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

(13) Other payables

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Accrued expense	\$3,729,209	\$5,367,887	\$4,940,769
Equipment payable	1,348,373	3,247,631	3,607,576
Accrued interest	12,955	9,344	8,574
Total	\$5,090,537	\$8,624,862	\$8,556,919

(14) Other current liabilities

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Other current liabilities	\$103,252	\$160,751	\$193,883
Current portion of long-term loans	1,631,872	1,305,487	1,142,810
Deferred revenue	19,527	15,283	14,615
Total	\$1,754,651	\$1,481,521	\$1,351,308

(15) Refund liability

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Refund liability	\$231,692	\$545,781	\$601,705

(16)Long-term borrowings

Details of long-term loans were as follows:

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Unsecured bank loans	\$17,061,148	\$11,803,285	\$11,252,162
Secured bank loans	257,391	272,216	273,204
Subtotal	17,318,539	12,075,501	11,525,366
Less: current portion	(1,631,872)	(1,305,487)	(1,142,810)
Total	<u>\$15,686,667</u>	<u>\$10,770,014</u>	<u>\$10,382,556</u>
Interest interval (%)	<u>1.15%~1.90%</u>	<u>0.50%~6.43%</u>	<u>0.65%~4.37%</u>

(a)Borrowing and repayment

In consideration of the operating situation and the terms of the loan agreement, the Group repaid the long-term loans of NT\$1,949,335 thousand and NT\$1,443,716 thousand for the nine-months ended September 30, 2023 and 2022, respectively. In addition, the Group proceeded from longterm loans of NT\$7,160,000 thousand and NT\$2,754,270 thousand for the nine-months ended September 30, 2023 and 2022, respectively. Please refer to Note 6(25)(D) for interest expenses.

(b)Collateral for bank loans

Please refer to Note 8 for details on assets pledged as collaterals.

(c)Government low-interest loan

The Group obtained government low-interest loans. The loans were measured at its fair value by applying the market interest rate. The deferred differences between the amounts paid and the fair value were classified as other current liabilities and other non-current liabilities, respectively.

(17) Other non-current liabilities

(a) Details of other non-current liabilities were as follows:

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Net defined benefit liability	\$-	\$-	\$13,078
Deposits received	5,105,820	4,884,255	2,089,794
Deferred revenue	103,070	79,879	75,359
Total	\$5,208,890	\$4,964,134	\$2,178,231

(b) The details of the deferred government grants income for the nine-month period ended September 30, 2023 and 2022 were as follows:

	For the nine-month period ended September 30,	
	2023	2022
	(NT\$'000)	(NT\$'000)
Beginning balance	\$95,162	\$66,318
Received during the period	44,002	33,764
Released to the statement of comprehensive income	(16,567)	(10,108)
Ending Balance	\$122,597	\$89,974
Current	\$19,527	\$14,615
Non-current	\$103,070	\$75,359

(c) Please refer to Note 6(16) for details on interest rate of deferred government grants income.

(18) Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the three-month periods ended September 30, 2023 and 2022 were NT\$45,100 thousand and NT\$50,540 thousand, respectively, while for the nine-month period ended September 30, 2023 and 2022 were NT\$143,315 thousand and NT\$144,133 thousand, respectively.

Defined benefits plan

Expenses under the defined benefits plan for the three-month periods ended September 30, 2023 and 2022 were NT\$1 thousand and NT\$34 thousand, respectively, while for the nine-month period ended September 30, 2023 and 2022 were NT\$1 thousand and NT\$101 thousand, respectively.

(19) Equity

A. Common shares

As of September 30, 2023, December 31, 2022 and September 30, 2022, the Company's authorized capital was NT\$6,000,000 thousand, each share at par value of NT\$10, divided into 600,000 thousand shares. As of September 30, 2023, December 31, 2022 and September 30, 2022, the Company's paid-in capital were NT\$4,544,746 thousand, NT\$4,527,761 thousand and NT\$4,527,761 thousand, respectively, divided into 454,475 thousand shares, 452,776 thousand shares and 452,776 thousand shares, respectively. Each share represents a voting right and a right to receive dividends.

On February 15, 2022 and May 27, 2022, the Company's board of directors and shareholders' meetings resolved to increase the capital through an issuance of new 5,400,000 shares of restricted stock for employees. The application has been governmentally approved by FSC in the Order No. Financial-Supervisory-Securities-Corporate-1110347163 issued on September 23, 2022. The Company's board of directors resolved the measurement date was on August 19, 2022. The issue price per share is NT\$85.6, and issued 1,932,000 shares.

On February 13, 2023, the board of directors resolved to issue 2,035,500 shares of restricted stock. The measurement date was on March 20, 2023 and issued 1,448,000 shares of restricted stock.

On April 28, 2023, the board of directors resolved to issue 456,000 shares of restricted stock. The measurement date was on May 19, 2023 and issued 280,000 shares of restricted stock.

On February 13, 2023, the Company resolved through the board of directors to carry out restricted employee stock redemption, cancellation, and a capital reduction of NT\$50 thousand, with March 19, 2023, as the capital reduction record date.

On July 31, 2023, the Company resolved through the board of directors to carry out restricted employee stock redemption, cancellation, and a capital reduction of NT\$245 thousand, with August 2, 2023, as the capital reduction record date.

B. Capital surplus

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Additional paid-in capital	\$6,264,957	\$6,116,351	\$6,116,351
Differences between consideration given/received and carrying amount of interest in subsidiaries acquired/disposed of	52,567	52,567	51,169
All changes in interests in subsidiaries	663,615	529,959	529,959
Change in joint ventures accounted for using equity method	7,484	7,484	7,484
Shared-Based Payments	8,371	8,371	8,371
Restricted stocks for employees	159,030	146,094	146,044
Total	<u>\$7,156,024</u>	<u>\$6,860,826</u>	<u>\$6,859,378</u>

According to the Taiwan Company Act, the capital surplus shall not be used except for making good the deficit of the Company. When a company incurs no loss, it may distribute the capital surplus related to the income derived from the issuance of new shares at a premium or income from endowments received by the company up to a certain percentage of paid-in capital. The said capital surplus could be distributed in cash to its shareholders in proportion to the number of shares being held by each of them. Capital surplus related to long-term equity investments cannot be used for any purpose.

C. Treasury stock

Treasury stock amounted to NT\$75 thousand, NT\$50 thousand and NT\$0, divided into 7 thousand shares, 5 thousand shares and 0 share, respectively, as of September 30, 2023, December 31, 2022 and September 30, 2022.

<u>Purpose of repurchase</u>	<u>Beginning balance</u>	<u>Addition</u>	<u>Decrease</u>	<u>Ending balance</u>
<u>For the nine-month period ended September 30, 2023</u>				
Recover failed restricted stocks	<u>5</u>	<u>32</u>	<u>30</u>	<u>7</u>

For the nine-month period ended September
30, 2022

None.

According to the Securities and Exchange Law of the R.O.C., total treasury stock shall not exceed 10% of the Company's issued stock, and the total purchase amount shall not exceed the sum of the retained earnings, additional paid-in capital-premiums and realized additional paid-in capital. As such, the ceiling number of shares of treasury stock that the Company could hold as of September 30, 2023 were 45,447 thousand shares, with the maximum payments of NT\$25,975,590 thousand.

In compliance with Securities and Exchange Law of the R.O.C., treasury stock should not be pledged, nor should it be entitled to voting rights or receiving dividends.

D. Appropriation of earnings and dividend policies

(a) Earning distribution

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- a. Payment of all taxes and dues;
- b. Offset prior years' operation losses;
- c. Set aside 10% of the remaining amount as legal reserve. This restriction shall not apply when the statutory surplus reserve has reached the paid-in capital of the company;
- d. Set aside or reverse special reserve in accordance with law and regulations; and
- e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

If the Company's dividends are distributed to shareholders or all or part of statutory surplus reserve and capital reserve in whole may be paid in cash, the Board of Directors have been authorized to approve by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and report to the shareholder's meeting.

(b) Dividend policies

The Company is in an industry with versatile environment. For long-term finance planning requirements and to meet the shareholders' demand for cash, the Company's dividend policy aims for steadiness and balancing. Shareholder extra dividend each year cannot be less than 10% of distributed surplus earnings and cash dividends distributed each year cannot be less than 10% of the gross amount of dividends.

(c) Legal reserve

According to the Company Act, legal reserve shall be set aside until such amount equal total authorized capital. Legal reserve can be used to offset deficits. If the Company does not incur any loss, the portion of legal reserve exceeding 25% of the paid-in capital may be distributed to shareholders by issuing new shares or by cash in proportion to the number of shares held by each shareholder.

(d) Special reserve

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to “other net deductions from shareholders” equity for the current fiscal year, provided that if the Company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

The FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022 on March 31, 2021, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the company can reverse the special reserve by proportion and transfer to retained earnings.

The Company did not incur any special reserve upon the first-time adoption of T-IFRS.

(e) The appropriations of earnings for the Year 2022 and 2021 were approved through the shareholders’ meetings held on May 31, 2023 and May 27, 2022, respectively. The details of the distributions were as follows:

	<u>Appropriation of earnings</u>		<u>Dividend per share</u>	
	<u>2022</u>	<u>2021</u>	<u>(in NT\$)</u>	
	<u>(NT\$'000)</u>	<u>(NT\$'000)</u>	<u>2022</u>	<u>2021</u>
Legal reserve	\$701,489	\$386,880		
Special reserve	(55,170)	22,092		
(reversal)				
Cash dividend	2,943,012	2,028,798	\$6.50	\$4.50
Total	<u>\$3,589,331</u>	<u>\$2,437,770</u>		

Please refer to Note 6(24) for details on employees' compensation and remuneration to directors and supervisors.

E. Non-controlling interests

	For the nine-month period ended September 30,	
	2023 (NT\$'000)	2022 (NT\$'000)
Beginning balance	\$4,494,193	\$3,919,766
Net income attributable to NCIs	706,231	671,604
Other comprehensive income attributable to NCIs:		
Exchange differences arising on translation of foreign operations	(7,031)	882
Cash capital increase by the subsidiary	2,453,491	22,500
Cash dividend distribution by the subsidiary	(495,163)	(414,513)
Shared-based payments	41,533	-
Acquisition of new shares in a subsidiary not in proportionate to ownership interest	(116,659)	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	10,130
Reorganization	-	(5,801)
Ending balance	\$7,076,595	\$4,204,568

(20) Share-based payment plans

A. Restricted stocks plan for employees

On May 27, 2022, the shareholders' meetings resolved to issue of 5,400 thousand shares of restricted stocks for employees. The grantee is limited to employees who meet certain conditions. The restricted stocks have been approved by the Securities and Futures Bureau. On July 25, 2022, the board of directors resolved to issue 2,063 thousand shares. The measurement date was on August 19, 2022 and total shares issued were 1,932 thousand. The unit market price as of the granted date was NT\$130.

On February 13, 2023, the board of directors resolved to issue of 2,036 thousand shares. The measurement date was on March 20, 2023 and total shares issued were 1,448 thousand. The unit market price as of the granted date was NT\$105.

On April 28, 2023, the board of directors resolved to issue of 456 thousand shares. The measurement date was on May 19, 2023 and total shares issued were 280 thousand. The unit market price as of the granted date was NT\$108.

The employees who acquire the above shares can subscribe shares at the price of NT\$85.6 per shares while the vesting conditions are as below.

i. Employee above level eight

Vesting conditions	Proportion of vested shares
Within 1 month starting the granted date	30%(Uncondition round up to thousand shares)
Within 8 months starting the granted date	20%(Uncondition round up to thousand shares)
Within 13 months starting the granted date	20%(Uncondition round down to thousand shares)
Within 20 months starting the granted date	10%(Uncondition round up to thousand shares)
Within 25 months starting the granted date	10%(Uncondition round up to thousand shares)
Within 32 months starting the granted date	Remaining shares

ii. Employee at level six through level seven

Vesting conditions	Proportion of vested shares
Within 1 month starting the granted date	30%(Uncondition round up to thousand shares)
Within 13 months starting the granted date	50%(Uncondition round down to thousand shares)
Within 25 months starting the granted date	Remaining shares

Restriction on employee's right after granted but before vested:

- (a)The granted employee commit to the custodian institution, and shall not sell, pledge, transfer, donate, or dispose in any other ways, the right of restricted stocks before achieving the vesting conditions.

- (b)After new shares of restricted stock are issued, the granted employee should immediately commit to the custodian institution, and not to ask the trustee to return the restricted stock in any other reasons or ways before achieving the vesting conditions.
- (c)The restricted stock for employees can participate in receiving dividends during the vesting period.
- (d)The right to vote and elect in a shareholders' meeting shall be executed by custodian institution in accordance with related regulations.

On August 19, 2022, the issuance of 1,932 thousand restricted shares for employees resulted in the increase of capital reserve—employee stock option amounting to NT\$146,059 thousand. The restricted stocks plan was invalidated as of September 30, 2023 and 24 thousand shares were recalled. As a result, capital reserve increased by NT\$235 thousand and the unearned employee compensation was NT\$9,282 thousand.

On March 20, 2023, the issuance of 1,448 thousand restricted shares for employees resulted in the increase of capital reserve—employee stock option amounting to NT\$109,469 thousand. The restricted stocks plan was invalidated as of September 30, 2023 and 14 thousand shares were recalled. As a result, capital reserve increased by NT\$135 thousand and the unearned employee compensation was NT\$9,130 thousand.

On May 19, 2023, the issuance of 280 thousand restricted shares for employees resulted in the increase of capital reserve—employee stock option amounting to NT\$21,168 thousand. As of September 30, 2023, the unearned employee compensation was NT\$2,780 thousand.

B.Share-based payment plans for employees of the subsidiary

On April 28, 2023, the subsidiary's board of directors resolved to increase cash capital and the effective date was September 7, 2023. Except for part of new shares for employees to subscribe it.

- a. Detailed information relevant to the share-based payment plans as of September 30, 2023, was as follows:

	For the nine-month period ended September 30, 2023	
	Options (Unit)	Weighted-average Exercise Price per Share (NT\$)
Outstanding at beginning of period	-	\$-
Granted	1,200	310
Exercised	(1,187)	310
Expired	(13)	-
Outstanding at end of period	-	
Weighted-average fair value of options granted during the period	\$49.57	

- b. The compensation cost was recognized under the fair value method and the Black-Scholes Option Pricing model was used to estimate the fair value of options granted. Assumptions used in calculating the fair value are disclosed as follows:

	July 10, 2023
Stock price on the grant date(dollar/shares)	\$353.97
Exercise price (dollar/shares)	\$310
Expected volatility(%)	40.40%
Expected life(Years)	0.142
Dividend yield (%)	0%
Risk free interest rate	0.7872%

The stock market price on the grant date is evaluated by the income method and the market method.

The expected volatility is based on the annualized standard deviation of the rate of return on the transactions of the previous year.

C. The expense recognized for employee services received was shown in the following table:

	For the nine-month period ended September 30,	
	2023	2022
	(NT\$'000)	(NT\$'000)
Total expense arising from equity-settled share-based payment transactions	\$108,636	\$38,616

D. The Company did not recall or modify the share-based payment plan for the nine-month period ended September 30, 2023 and 2022.

(21) Operating revenues

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Revenue from customer contracts				
Sales of goods	\$5,701,998	\$11,277,452	\$18,331,691	\$32,324,807
Other operating revenue	344,173	266,969	1,011,033	687,484
Total	\$6,046,171	\$11,544,421	\$19,342,724	\$33,012,291

Analysis of revenue from contracts with customers during the nine-month periods ended September 30, 2023 and 2022 were as follows:

A. Disaggregation of revenue

	For the three-month period ended September 30, 2023			
	IC Substrate (NT\$'000)	PCB (NT\$'000)	Optics (NT\$'000)	Total (NT\$'000)
Sales of goods	\$4,025,138	\$(25)	\$1,676,885	\$5,701,998
Other	344,173	-	-	344,173
Total	\$4,369,311	\$(25)	\$1,676,885	\$6,046,171
Timing of revenue recognition:				
At a point in time	\$4,369,311	\$(25)	\$1,676,885	\$6,046,171

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

	For the nine-month period ended September 30, 2023			
	IC Substrate (NT\$'000)	PCB (NT\$'000)	Optics (NT\$'000)	Total (NT\$'000)
Sales of goods	\$13,580,486	\$(421)	\$4,751,626	\$18,331,691
Other	1,011,033	-	-	1,011,033
Total	<u>\$14,591,519</u>	<u>\$(421)</u>	<u>\$4,751,626</u>	<u>\$19,342,724</u>

Timing of revenue
recognition:

At a point in time	<u>\$14,591,519</u>	<u>\$(421)</u>	<u>\$4,751,626</u>	<u>\$19,342,724</u>
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	For the three-month period ended September 30, 2022			
	IC Substrate (NT\$'000)	PCB (NT\$'000)	Optics (NT\$'000)	Total (NT\$'000)
Sales of goods	\$9,621,791	\$13,871	\$1,641,790	\$11,277,452
Other	266,969	-	-	266,969
Total	<u>\$9,888,760</u>	<u>\$13,871</u>	<u>\$1,641,790</u>	<u>\$11,544,421</u>

Timing of revenue
recognition:

At a point in time	<u>\$9,888,760</u>	<u>\$13,871</u>	<u>\$1,641,790</u>	<u>\$11,544,421</u>
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	For the nine-month period ended September 30, 2022			
	IC Substrate (NT\$'000)	PCB (NT\$'000)	Optics (NT\$'000)	Total (NT\$'000)
Sales of good	\$26,981,910	\$798,003	\$4,544,894	\$32,324,807
Other	687,484	-	-	687,484
Total	<u>\$27,669,394</u>	<u>\$798,003</u>	<u>\$4,544,894</u>	<u>\$33,012,291</u>

Timing of revenue
recognition:

At a point in time	<u>\$27,669,394</u>	<u>\$798,003</u>	<u>\$4,544,894</u>	<u>\$33,012,291</u>
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B. Contract balances

(a) Contract liabilities

	As of			
	9/30/2023 (NT\$'000)	12/31/2022 (NT\$'000)	9/30/2022 (NT\$'000)	1/1/2022 (NT\$'000)
Sales of goods	\$5,524,677	\$2,550,873	\$1,081,781	\$98,679
Customer loyalty programs	1,920	2,994	3,949	12,671
Total	<u>\$5,526,597</u>	<u>\$2,553,867</u>	<u>\$1,085,730</u>	<u>\$111,350</u>
Current	\$132,638	\$112,683	\$146,881	\$111,350
Non-current	5,393,959	2,441,184	938,849	-
Total	<u>\$5,526,597</u>	<u>\$2,553,867</u>	<u>\$1,085,730</u>	<u>\$111,350</u>

The significant changes in the Group's balances of contract liabilities for the nine-month period ended September 30, 2023 were as follows:

	Sales of goods	Customer loyalty programs
The opening balance transferred to revenue	\$(1,492,109)	\$(2,994)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	4,465,913	1,920

The significant changes in the Group's balances of contract liabilities for the nine-month period ended September 30, 2022 were as follows:

	Sales of goods	Customer loyalty programs
The opening balance transferred to revenue	\$(94,749)	\$(12,671)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	1,076,638	3,949

(22) Expected credit losses (gains)

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Operating expenses – Expected credit losses (gains)				
Accounts receivable	\$16,806	\$(2,628)	\$16,243	\$584

Please refer to Note 12 for more details on credit risk.

The Group measures the loss allowance of its contract assets and accounts receivable (including notes receivable and accounts receivable) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of September 30, 2023, December 31, 2022 and September 30, 2022 were as follows:

A. The Group considers the grouping of accounts receivable by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix. Details are as follows:

As of September 30, 2023

Group 1	Not past due	Past due						Total
	(Note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	>=365 days	
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Gross carrying amount	\$2,573,730	\$245,250	\$36,133	\$-	\$-	\$-	\$9,254	\$2,864,367
Loss ratio	-%	5%	24%	30%	50%	75%	100%	
Lifetime expected credit losses	-	(12,262)	(8,507)	-	-	-	(9,254)	(30,023)
Subtotal	2,573,730	232,988	27,626	-	-	-	-	2,834,344

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

Group 2	Not past due	Past due					Individual evaluate	Total (NT\$'000)
	(Note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days		
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)		
Gross carrying amount	\$897,950	\$4,066	\$-	\$-	\$-	\$38,934	\$-	\$940,950
Loss ratio	0.89%	1%	0%	0%	0%	76.36%	0%	
Lifetime expected credit losses	(7,983)	(41)	-	-	-	(29,730)	-	(37,754)
Subtotal	889,967	4,025	-	-	-	9,204	-	903,196
Carrying amount of accounts receivable	\$3,463,697	\$237,013	\$27,626	\$-	\$-	\$9,204	\$-	\$3,737,540

As of December 31, 2022

Group 1	Not past due	Past due						Total (NT\$'000)
	(Note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	>=365 days	
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	
Gross carrying amount	\$3,935,761	\$289,525	\$82,055	\$31,482	\$4,251	\$-	\$4,282	\$4,347,356
Loss ratio	-%	5%	15%	30%	50%	75%	100%	
Lifetime expected credit losses	-	(14,585)	(12,308)	(9,445)	(2,126)	-	(4,282)	(42,746)
Subtotal	3,935,761	274,940	69,747	22,037	2,125	-	-	4,304,610

Group 2	Not past due	Past due					Individual evaluate	Total (NT\$'000)
	(Note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days		
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)		
Gross carrying amount	\$733,379	\$18,027	\$-	\$-	\$-	\$-	\$1,929	\$753,335
Loss ratio	0.82%	1%	0%	0%	0%	0%	100%	
Lifetime expected credit losses	(6,031)	(180)	-	-	-	-	(1,929)	(8,140)
Subtotal	727,348	17,847	-	-	-	-	-	745,195
Carrying amount of accounts receivable	\$4,663,109	\$292,787	\$69,747	\$22,037	\$2,125	\$-	\$-	\$5,049,805

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

As of September 30, 2022

Group 1	Not past due	Past due					Individual evaluate	Total (NT\$'000)
	(Note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days		
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)		
Gross carrying amount	\$5,964,267	\$207,566	\$517	\$6,047	\$-	\$-	\$111	\$6,178,508
Loss ratio	-%	5%	15%	30%	50%	75%	100%	
Lifetime expected credit losses	-	(10,378)	(77)	(1,814)	-	-	(111)	(12,380)
Subtotal	5,964,267	197,188	440	4,233	-	-	-	6,166,128
Group 2	Not past due	Past due					Individual evaluate	Total (NT\$'000)
	(Note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days		
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)		
Gross carrying amount	\$894,230	\$17,609	\$1,714	\$-	\$-	\$-	\$7,580	\$921,133
Loss ratio	0.78%	1%	29.99%	0%	0%	0%	100%	
Lifetime expected credit losses	(7,017)	(176)	(514)	-	-	-	(7,580)	(15,287)
Subtotal	887,213	17,433	1,200	-	-	-	-	905,846
Carrying amount of accounts receivable	\$6,851,480	\$214,621	\$1,640	\$4,233	\$-	\$-	\$-	\$7,071,974

Note : All the Group's notes receivable were not past due.

B. The movement in the provision for impairment of notes receivable and accounts receivable during the nine-month periods ended September 30, 2023 and 2022 were as follows:

	Notes receivable (NT\$'000)	Accounts receivable (NT\$'000)
Beginning balance as of January 1, 2023	\$-	\$50,886
Addition (reversal) for the current period	-	16,243
Exchange differences	-	648
Ending balance as of September 30, 2023	\$-	\$67,777
Beginning balance as of January 1, 2022	\$-	\$26,844
Addition (reversal) for the current period	-	584
Exchange differences	-	239
Ending balance as of September 30, 2022	\$-	\$27,667

(23) Leases

A. Group as a lessee

The Group leases various properties, including real estate such as land and buildings, machinery and equipment, transportation equipment. These leases have terms of between 1 and 50 years. The Group may not allow to privately lend, sublease, sell, use by others in other disguised form, or transfer the lease to another person.

The effect of leases on the Group's consolidated financial position, financial performance and cash flows were as follows:

(a) Amounts recognized in the balance sheet

I. Right-of-use asset

The carrying amount of right-of-use asset

	Land (NT\$'000)	Buildings (NT\$'000)	Total (NT\$'000)
<u>Cost:</u>			
As of 1/1/2023	\$228,862	\$492,223	\$721,085
Addition	-	33,010	33,010
Disposals	-	(18,796)	(18,796)
Transfer	-	-	-
Exchange differences	7,881	685	8,566
As of 9/30/2023	<u>\$236,743</u>	<u>\$507,122</u>	<u>\$743,865</u>
As of 1/1/2022	\$271,757	\$207,324	\$479,081
Addition	-	358,082	358,082
Disposals	(58,722)	(48,333)	(107,055)
Transfer	-	-	-
Exchange differences	21,240	1,332	22,572
As of 9/30/2022	<u>\$234,275</u>	<u>\$518,405</u>	<u>\$752,680</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

	Land (NT\$'000)	Buildings (NT\$'000)	Total (NT\$'000)
<u>Depreciation and impairment:</u>			
As of 1/1/2023	\$68,572	\$135,280	\$203,852
Depreciation	3,513	103,064	106,577
Disposals	-	(18,638)	(18,638)
Transfer	-	-	-
Exchange differences	2,535	388	2,923
As of 9/30/2023	<u>\$74,620</u>	<u>\$220,094</u>	<u>\$294,714</u>
As of 1/1/2022	\$76,120	\$49,666	\$125,786
Depreciation	3,917	80,936	84,853
Disposal	(17,323)	(13,640)	(30,963)
Transfer	-	-	-
Exchange differences	6,324	453	6,777
As of 9/30/2022	<u>\$69,038</u>	<u>\$117,415</u>	<u>\$186,453</u>
<u>Net carrying amount:</u>			
As of 9/30/2023	<u>\$162,123</u>	<u>\$287,028</u>	<u>\$449,151</u>
As of 12/31/2022	<u>\$160,290</u>	<u>\$356,943</u>	<u>\$517,233</u>
As of 9/30/2022	<u>\$165,237</u>	<u>\$400,990</u>	<u>\$566,227</u>

II. Lease liability

	As of		
	9/30/2023 (NT\$'000)	12/31/2022 (NT\$'000)	9/30/2022 (NT\$'000)
Lease liability	<u>\$293,577</u>	<u>\$363,360</u>	<u>\$407,625</u>
Current	\$131,531	\$132,253	\$140,513
Non-current	162,046	231,107	267,112
Total	<u>\$293,577</u>	<u>\$363,360</u>	<u>\$407,625</u>

Please refer to Note 6(25) (D) for the interest on lease liabilities recognized during the three-month and nine-month periods ended September 30, 2023 and 2022, and refer to Note 12(5) for the maturity analysis for lease liabilities as on September 30, 2023, December 31, 2022 and September 30, 2022.

(b) Income and costs relating to leasing activities

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
The expense relating to short-term leases (rent expenses)	\$(11,852)	\$(12,496)	\$(33,580)	\$(71,903)
The expense relating to leases of low-value assets (Not including the expense relating to short-term leases of low-value assets)	(173)	(186)	(795)	(754)
Income from subleasing right-of-use assets	234	199	630	314

As of September 30, 2023, December 31, 2022, and September 30, 2022, the portfolio of short-term leases of the Group to which it was committed at the end of the reporting period was dissimilar to the portfolio of short-term leases to which the short-term lease expense disclosed above and the amount of its lease commitments was NT\$0.

For the three-month periods ended September 30, 2023 and 2022, the Group recognized NT\$0 and NT\$1,354 thousand, respectively, as income to account the rent concession arising as a direct consequence of the covid-19 pandemic as a variable lease payment; For the nine-month period ended September 30, 2023 and 2022, the Group recognized NT\$19 thousand and NT\$1,592 thousand, respectively, as income to account the rent concession arising as a direct consequence of the covid-19 pandemic as a variable lease payment.

(c) Cash outflow relating to leasing activities

During the nine-month period ended September 30, 2023 and 2022, the Group's total cash outflow for leases amounted to NT\$140,149 thousand and NT\$153,416 thousand, respectively.

B. Group as a lessor

The Group has entered leases on plants. These leases have terms of between one and three years. These leases are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Lease income for operating leases				
Income relating to fixed lease payments	\$797	\$2,805	\$2,319	\$5,224

For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of September 30, 2023, December 31, 2022 and September 30, 2022 were as follows:

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Less than one year	\$392	\$392	\$405
More than one year but less than five years	1,243	1,537	1,635
Total	\$1,635	\$1,929	\$2,040

(24) Summary statement of employee benefits, depreciation and amortization was as follows:

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
Related parties	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Employee benefit				
Salaries & wages	\$1,441,907	\$2,207,643	\$4,255,686	\$6,441,770
Labor and health insurance	126,208	129,768	386,843	368,421
Pension	45,101	50,574	143,316	144,234
Other employee benefit	76,258	78,391	229,529	263,079
Depreciation	1,337,212	1,359,434	3,930,003	3,692,173
Amortization	14,027	13,306	57,189	56,869

According to the resolution, not lower than 10% of profit of the current year is distributable as employees' compensation and no higher than 1% of profit of the current year is distributable as remuneration to directors and supervisors. However, the Company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition, a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

For the nine-month period ended September 30, 2023, the Company incurred accumulated loss and therefore did not accrue the amounts of the employees' compensation and remuneration to directors and supervisors.

Based on profit of the nine-month period ended September 30, 2022, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the nine-month period ended September 30, 2022 to be not lower than 10% and not higher than 1% of profit of the current nine-month period, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors and supervisors for the three-month period ended September 30, 2023 amounted to NT\$371,123 thousand and NT\$21,648 thousand, respectively, and, for the nine-month period ended September 30, 2023, NT\$994,909 thousand and NT\$58,036 thousand, respectively. The employees' compensation and remuneration to directors and supervisors were recognized as salaries.

The Company's Board of Directors' meeting has determined the employees' compensation and directors' remuneration, all in cash, to be NT\$1,198,514 thousand and NT\$69,913 thousand, respectively, in a meeting held on February 13, 2023. No material differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2022.

(25) Non-operating incomes and expenses

A. Interest incomes

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
Interest income				
Financial assets measured at amortized cost	\$145,633	\$18,748	\$358,794	\$48,307

B. Other incomes

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
Government grants	\$6,303	\$3,765	\$16,567	\$10,108
Other income-others	38,867	138,391	82,586	276,577
Total	\$45,170	\$142,156	\$99,153	\$286,685

C. Other gains and losses

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
Gain on disposal of property, plant and equipment	\$592	\$39,537	\$2,419	\$215,594
Foreign exchange gain (loss), net	22,227	168,836	94,132	297,502
Gain on lease modification	-	2,019	-	99,459
Net gain of financial assets at fair value through profit or loss	5,497	1,088	15,973	2,013
Impairment losses	-	(17,322)	(11,893)	(34,953)
Loss from Fire, net	-	-	-	(2,526)
Other losses	(1,289)	(119,373)	(18,328)	(326,513)
Total	\$27,027	\$74,785	\$82,303	\$250,576

D. Finance costs

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
Interest on bank loans	\$92,799	\$54,645	\$240,110	\$118,754
Interests on lease liabilities	893	1,201	2,770	2,520
Total	\$93,692	\$55,846	\$242,880	\$121,274

(26) Components of other comprehensive income (OCI)

For the three-month period ended September 30, 2023

	Arising during the period (NT\$'000)	Reclassification during the period (NT\$'000)	Subtotal (NT\$'000)	Income tax benefit (expense) (NT\$'000)	OCI, Net of tax (NT\$'000)
<u>To be reclassified to profit or loss in subsequent period:</u>					
Exchange differences resulting from translating the financial statements of a foreign operation	\$129,663	\$-	\$129,663	\$-	\$129,663
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	10,229	-	10,229	-	10,229
Total OCI	\$139,892	\$-	\$139,892	\$-	\$139,892

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

For the three-month period ended September 30, 2022

	Arising during the period (NT\$'000)	Reclassification during the period (NT\$'000)	Subtotal (NT\$'000)	Income tax benefit (expense) (NT\$'000)	OCI, Net of tax (NT\$'000)
<u>To be reclassified to profit or loss in subsequent period:</u>					
Exchange differences resulting from translating the financial statements of a foreign operation	\$43,226	\$-	\$43,226	\$-	\$43,226
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	3,111	-	3,111	-	3,111
Total OCI	<u>\$46,337</u>	<u>\$-</u>	<u>\$46,337</u>	<u>\$-</u>	<u>\$46,337</u>

For the nine-month period ended September 30, 2023

	Arising during the period (NT\$'000)	Reclassification during the period (NT\$'000)	Subtotal (NT\$'000)	Income tax benefit (expense) (NT\$'000)	OCI, Net of tax (NT\$'000)
<u>To be reclassified to profit or loss in subsequent period:</u>					
Exchange differences resulting from translating the financial statements of a foreign operation	\$35,896	\$-	\$35,896	\$-	\$35,896
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	20,038	-	20,038	-	20,038
Total OCI	<u>\$55,934</u>	<u>\$-</u>	<u>\$55,934</u>	<u>\$-</u>	<u>\$55,934</u>

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Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

For the nine-month period ended September 30, 2022

	Arising during the period (NT\$'000)	Reclassification during the period (NT\$'000)	Subtotal (NT\$'000)	Income tax benefit (expense) (NT\$'000)	OCI, Net of tax (NT\$'000)
<u>To be reclassified to profit or loss in subsequent period:</u>					
Exchange differences resulting from translating the financial statements of a foreign operation	\$96,331	\$-	\$96,331	\$-	\$96,331
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	5,835	-	5,835	-	5,835
Total OCI	<u>\$102,166</u>	<u>\$-</u>	<u>\$102,166</u>	<u>\$-</u>	<u>\$102,166</u>

(27) Income taxes

A. The major components of income tax expense (income) were as follows:

Income tax expense (income) recognized in profit or loss

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
Current income tax expense (income):				
Current income tax charge	\$66,992	\$658,100	\$193,665	\$1,781,979
Adjustments in respect of current income tax of prior periods	(284)	(303)	(52,423)	(7,618)
Deferred tax expense (income):				
Deferred tax expense (income) relating to origination and reversal of temporary differences	3,054	(2,304)	9,561	4,717
Total income tax expense	<u>\$69,762</u>	<u>\$655,493</u>	<u>\$150,803</u>	<u>\$1,779,078</u>

B. The assessment of income tax return

As of September 30, 2023, the assessment status of income tax returns of the Company and subsidiaries was as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2019
Subsidiary-Pegavision Corporation	Assessed and approved up to 2021
Subsidiary-Kinsus Investment Co., Ltd.	Assessed and approved up to 2021
Subsidiary-BeautyTech Platform Corporation	Assessed and approved up to 2021
Subsidiary-Mayin Investment Co., Ltd.	Assessed and approved up to 2021
Subsidiary-FacialBeau International Corporation	Assessed and approved up to 2021

(28) Earnings per share

Basic earnings per share is calculated by dividing net profit for the year attributable to the common shareholders of the parent entity by the weighted average number of common shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting any influences) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

A. Basic earnings per share

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
Net income (losses) attributable to ordinary equity holders of the Company (in NT\$'000)	<u>\$(343,033)</u>	<u>\$2,160,635</u>	<u>\$(315,868)</u>	<u>\$5,785,708</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand shares)	<u>451,999</u>	<u>450,864</u>	<u>451,999</u>	<u>450,864</u>
Basic earnings (losses) per share (in NT\$)	<u>\$(0.76)</u>	<u>\$4.79</u>	<u>\$(0.70)</u>	<u>\$12.83</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

B. Diluted earnings per share

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
Net income (losses) attributable to ordinary equity holders of the Company (in NT\$'000)	<u>\$(343,033)</u>	<u>\$2,160,635</u>	<u>\$(315,868)</u>	<u>\$5,785,708</u>
Net income (losses) attributable to ordinary equity holders of the Company after dilution (NT\$'000)	<u>\$(343,033)</u>	<u>\$2,160,635</u>	<u>\$(315,868)</u>	<u>\$5,785,708</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand shares)	451,999	450,864	451,999	450,864
Effect of dilution:				
Employee compensation — stock (in thousand shares)	Note	11,153	Note	11,153
Restricted stocks (in thousand shares)	Note	-	Note	-
Weighted average number of ordinary shares outstanding after dilution (in thousand shares)	<u>451,999</u>	<u>462,017</u>	<u>451,999</u>	<u>462,017</u>
Diluted earnings (losses) per share (in NT\$)	<u>\$(0.76)</u>	<u>\$4.68</u>	<u>\$(0.70)</u>	<u>\$12.52</u>

Note : It is not applicable due to anti-dilutive effect.

No other transactions that would significantly change the outstanding common shares or potential common shares incurred during the period after reporting date and up to the approval date of financial statements.

(29) Changes in parent's interest in subsidiaries

Acquisition of new shares in a subsidiary not in proportionate to ownership interest

The board of directors of Pegavision Corporation resolved to issue new shares on April 28, 2023. The Group purchased new shares. Consequently, the ownership interest in Pegavision Corporation was reduced to 29.55%. The Group received additional cash from the issuance of new shares in the amount of NT\$1,915,789 thousand. The carrying amount of Pegavision Corporation's net assets (excluding goodwill on the original acquisition) was NT\$6,701,253 thousand. Following was a schedule of interest disposed in Pegavision Corporation including changes in non-controlling interests:

Additional cash received from the issuance of new shares	\$1,915,789
Increase to non-controlling interests	(1,799,130)
Difference recognized in capital surplus within equity	<u>\$116,659</u>

(30) Subsidiaries that have material non-controlling interests

Financial information of subsidiaries that have material non-controlling interests were provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country	As of		
		9/30/2023	12/31/2022	9/30/2022
PIOTEK HOLDINGS LTD. and its subsidiary	China	49.00%	49.00%	49.00%
Pegavision Corporation and its subsidiary	Taiwan	70.45%	69.67%	69.67%

Accumulated balances of material non-controlling interest:

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
PIOTEK HOLDINGS LTD. and its subsidiary	\$423,605	\$(41,842)	\$(32,988)
Pegavision Corporation and its subsidiary	\$6,652,990	\$4,536,035	\$4,237,556

Profit (loss) allocated to material non-controlling interest:

	For the nine-month period ended September 30,	
	2023 (NT\$'000)	2022 (NT\$'000)
PIOTEK HOLDINGS LTD. and its subsidiary	\$(67,101)	\$(108,914)
Pegavision Corporation and its subsidiary	\$773,332	\$780,518

The summarized financial information of these subsidiaries was provided below. This information was based on amounts before inter-company eliminations.

Summarized PIOTEK HOLDINGS LTD. and its subsidiary information of profit or loss for the nine-month period ended September 30, 2023 and 2022:

	For the nine-month period ended September 30,	
	2023 (NT\$'000)	2022 (NT\$'000)
Operating revenue	\$(155)	\$805,132
Profit or loss from continuing operations	(136,938)	(222,295)
Total comprehensive income for the period	(147,468)	(221,380)

Summarized Pegavision Corporation and its subsidiary information of profit or loss for the nine-month period ended September 30, 2023 and 2022:

	For the nine-month period ended September 30,	
	2023 (NT\$'000)	2022 (NT\$'000)
Operating revenue	\$4,752,101	\$4,544,894
Profit or loss from continuing operations	1,100,361	1,121,279
Total comprehensive income for the period	1,097,438	1,121,764

Summarized PIOTEK HOLDINGS LTD. and its subsidiary information of financial position at September 30, 2023, December 31, 2022 and September 30, 2022:

	As of		
	9/30/2023 (NT\$'000)	12/31/2022 (NT\$'000)	9/30/2022 (NT\$'000)
Current assets	\$181,967	\$318,326	\$500,228
Non-current assets	700,238	756,481	910,998
Current liabilities	11,587	126,557	343,192
Non-current liabilities	6,100	1,033,614	1,135,358

Summarized Pegavision Corporation and its subsidiary information of financial position at September 30, 2023, December 31, 2022 and September 30, 2022:

	As of		
	9/30/2023 (NT\$'000)	12/31/2022 (NT\$'000)	9/30/2022 (NT\$'000)
Current assets	\$7,045,172	\$3,970,829	\$3,353,581
Non-current assets	5,391,816	5,590,768	5,734,573
Current liabilities	2,552,541	2,441,504	2,351,844
Non-current liabilities	469,293	634,361	676,828

Summarized PIOTEK HOLDINGS LTD. and its subsidiary cash flows information for the nine-month period ended September 30, 2023 and 2022:

	For the nine-month period ended September 30,	
	2023	2022
	(NT\$'000)	(NT\$'000)
Operating activities	\$(6,623)	\$(232,222)
Investing activities	(231)	344,538
Financing activities	(22,163)	104,859
Net increase/(decrease) in cash and cash equivalents	(73,882)	94,745

Summarized Pegavision Corporation and its subsidiary cash flows information for the nine-month period ended September 30, 2023 and 2022:

	For the nine-month period ended September 30,	
	2023	2022
	(NT\$'000)	(NT\$'000)
Operating activities	\$1,428,734	\$1,419,127
Investing activities	(2,650,126)	(1,281,254)
Financing activities	1,745,496	(524,040)
Net increase/(decrease) in cash and cash equivalents	519,169	(375,933)

7. RELATED PARTY TRANSACTIONS

(1) Information of the related parties that had transactions with the Group during the financial reporting period was as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Pegatron Corporation	Parent company
FuYang Technology Corp.	Associate
ASFLY TRAVEL SERVICE LTD.	Other related parties
AzureWave Technologies, Inc	Other related parties
AzureWave Technologies (Shanghai) Inc.	Other related parties

Name of the related parties	Nature of relationship of the related parties
ASROCK RACK INCORPORATION	Other related parties
CASETEK COMPUTER (SUZHOU) CO., LTD.	Other related parties
Maintek Computer (Suzhou) Co., Ltd	Other related parties
GNDC Co., Ltd.	Other related parties
DIGITEK (CHONGQING) LIMITED	Other related parties
COTEK ELECTRONICS (SUZHOU) CO., LTD.	Other related parties
ASIAROCK TECHNOLOGY LIMITED	Other related parties
PEGATRON JAPAN INC	Other related parties
PEGATRON CZECH S.R.O	Other related parties

(2) Significant transactions with related parties

A. Sales

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company	\$-	\$128	\$13	\$413
Other related parties	-	1,561	21	34,435
Total	\$-	\$1,689	\$34	\$34,848

Selling prices and collection terms to related parties are similar to those to third party customers for the nine-month period ended September 30, 2023 and 2022. The collection terms are 30 to 90 days from the end of delivery month by telegraphic transfer.

B. Lease-related parties

(a) Right-of-use asset

Related parties	Nature	As of		
		9/30/2023	12/31/2022	9/30/2022
		(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company	Buildings	\$190,098	\$264,484	\$289,279
Other related parties	Buildings	1,226	331	501
Total		\$191,324	\$264,815	\$289,780

(b) Lease liabilities

	As of		
	9/30/2023	12/31/2022	9/30/2022
Related parties	(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company	\$191,706	\$265,533	\$289,996
Other related parties	1,229	333	504
Total	\$192,935	\$265,866	\$290,500

(c) Lease payment (Rental expense)

		For the three-month		For the nine-month	
		period ended September 30,		period ended September 30,	
		2023	2022	2023	2022
Related parties	Nature of lease	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company	Buildings	\$34	\$124	\$161	\$33,822

(d) Interest expense

		For the three-month		For the nine-month	
		period ended September 30,		period ended September 30,	
		2023	2022	2023	2022
Related parties		(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company		\$597	\$891	\$2,013	\$1,525
Other related parties		4	2	6	6
Total		\$601	\$893	\$2,019	\$1,531

C. For the nine-month period ended September 30, 2023 and 2022, the Group recognized operating expenses of NT\$5,885 thousand and NT\$1,027 thousand, respectively, for services provided by other related parties.

Moreover, for the nine-month period ended September 30, 2023 and 2022, the Group recognized operating expenses of NT\$96 thousand and NT\$2,963 thousand (tax included), respectively, for services provided by the Parent.

In addition, for the nine-month period ended September 30, 2023 and 2022, the Group incurred operating expenses of NT\$84,149 thousand and NT\$76,515 thousand (tax included), respectively, for utility bills paid by the Parent on behalf of the Group.

D. For the nine-month period ended September 30, 2022, the Group recognized rent income of NT\$194 thousand for plants leased to other related parties.

E. For the nine-month period ended September 30, 2022, the Group recognized operating expenses of NT\$3,225 thousand for services provided by other related parties.

F. Accounts receivable-related parties

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company	\$-	\$359	\$371
Other related parties	161	2,565	5,795
Total	161	2,924	6,166
Less: loss allowance	-	-	-
Net	\$161	\$2,924	\$6,166

G. Other receivables

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Other related parties	\$-	\$-	\$9

H. Prepaid expenses

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company	\$14,105	\$3,166	\$-
Other related parties	728	2,302	-
Total	\$14,833	\$5,468	\$-

I. Refundable deposits

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company	\$10,000	\$10,000	\$10,000
Other related parties	364	357	362
Total	<u>\$10,364</u>	<u>\$10,357</u>	<u>\$10,362</u>

J. Other payables

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company	\$29,461	\$27,379	\$30,001
Other related parties	10,914	168,638	2,400
Total	<u>\$40,375</u>	<u>\$196,017</u>	<u>\$32,401</u>

K. Property transaction with related party

(a) Acquisition of Assets

Variety	Related parties	Acquisition Price	Reference basis for price decision
<u>2023.07.01~2023.09.30</u>			
Machinery	Parent company	<u>\$693</u>	By Bidding
Machinery	Other related parties	<u>\$9,738</u>	By Bidding
<u>2023.01.01~2023.09.30</u>			
Machinery	Parent company	<u>\$14,343</u>	By Bidding
Machinery	Other related parties	<u>\$205,426</u>	By Bidding
<u>2022.07.01~2022.09.30</u>			
Machinery	Other related parties	<u>\$1,783</u>	By Bidding

Variety	Related parties	Acquisition Price	Reference basis for price decision
<u>2022.01.01~2022.09.30</u>			
Machinery	Other related parties	<u>\$1,783</u>	By Bidding

L. Salaries and rewards to key management of the Group

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Short-term employee benefits	\$76,246	\$50,611	\$123,176	\$84,920
Post-employment benefits	225	243	711	729
Total	<u>\$76,471</u>	<u>\$50,854</u>	<u>\$123,887</u>	<u>\$85,649</u>

8. ASSETS PLEDGED AS SECURITY

The following table lists assets of the Group pledged as security:

Item	Carrying amount as of			Purpose
	9/30/2023	12/31/2022	9/30/2022	
	(NT\$'000)	(NT\$'000)	(NT\$'000)	
Property, plant and equipment – Land (carrying amount)	\$196,960	\$196,960	\$196,960	Long-term secured loans
Property, plant and equipment – Buildings (carrying amount)	121,340	124,544	117,941	Long-term secured loans
Refundable deposits	2,000	2,000	2,000	Security deposit to custom authority
Total	<u>\$320,300</u>	<u>\$323,504</u>	<u>\$316,901</u>	

9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) The Group's unused letters of credit (LC) as of September 30, 2023 were as follows:

Currency	LC Amount (in thousand)		Security (in thousand)
JPY	JPY	\$5,890,381	\$-
USD	USD	73,934	-

- (2) Details of significant constructions in progress and outstanding contracts of property, plant and equipment as of September 30, 2023 were as follows:

Nature of Contract	Contract Amount (NT\$'000)	Amount Paid (NT\$'000)	Outstanding Balance (NT\$'000)
Right-of-use assets-land	\$272,086	\$82,574	\$189,512
Machinery and construction contracts	19,798,092	13,928,982	5,869,110
Total	<u>\$20,070,178</u>	<u>\$14,011,556</u>	<u>\$6,058,622</u>

Amount paid above was recognized as construction in progress, equipment awaiting inspection and prepayment for acquiring machinery.

- (3) The Group has entered into a long-term sales agreement with its customer. The customer should fulfill its obligation of making a certain number of orders as agreed in the agreement and the Group shall provide the products to the customer pursuant to the agreement.
- (4) The Group has entered into a long-term sales agreements with its customers. According to the agreement, after customers pay the deposit in advance, the Group shall provide the products to the customer pursuant to the agreement.

10. LOSSES DUE TO MAJOR DISASTERS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

12. OTHER

(1) Categories of financial instruments

Financial assets

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Financial assets at fair value through profit or loss:			
Mandatorily measured at fair value through P/L	\$1,342,200	\$1,218,551	\$690,913
Financial assets at fair value through OCI	51,000	51,000	51,000
Financial assets measured at amortized cost (Note)	23,522,954	22,360,095	20,911,136
Total	<u>\$24,916,154</u>	<u>\$23,629,646</u>	<u>\$21,653,049</u>

Financial liabilities

	As of		
	9/30/2023	12/31/2022	9/30/2022
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Financial liabilities at amortized cost:			
Short-term borrowings	\$971,441	\$376,620	\$1,910,678
Payables	7,159,256	10,797,942	11,202,630
Long-term borrowings (including current portion with maturity less than 1 year)	17,318,539	12,075,501	11,525,366
Lease liabilities (including current portion with maturity less than 1 year)	293,577	363,360	407,625
Total	<u>\$25,742,813</u>	<u>\$23,613,423</u>	<u>\$25,046,299</u>

Note: Financial assets measured at amortized cost includes cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable (including related parties) and other receivables (including related parties).

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies, measures, and manages aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk (e.g. equity instruments).

In practice, it is rarely the case that a single risk variable will change independently from other risk variables. There is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is achieved. Thus, hedge accounting is not adopted.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit (loss) and equity is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to volatility in the exchange rates of US dollars. The information of the sensitivity analysis is as follows:

When NT dollars strengthens/weakens against US dollars by 1%, the profit (loss) for the nine-month period ended September 30, 2023 and 2022 would decrease/increase by NT\$120,605 thousand and NT\$39,110 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates. If interest rate increases/decreases by 0.1%, the net income (loss) for the nine-month period ended September 30, 2023 and 2022 would decrease/increase by NT\$14,894 thousand and decrease/increase by NT\$9,579 thousand, respectively.

(4) Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a contract, a leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts and notes receivable) and from its financing activities including bank deposits and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit risk of all customers are assessed based on a comprehensive review of the customers' financial status, credit ratings from credit institutions, past transactions, current economic conditions and the Group's internal credit ratings. The Group also employs some credit enhancement instruments (e.g. prepayment or insurance) to reduce certain customers' credit risk.

As of September 30, 2023, December 31, 2022 and September 30, 2022, receivables from the top ten customers represent 49.25%, 48.77% and 49.20% of the total receivables of the Group, respectively. The credit concentration risk of other receivables is insignificant.

Credit risk from balances with banks and other financial instruments is managed by the Group's finance division in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

The Group adopted IFRS 9 to assess the expected credit losses. Except for receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories. The Group makes an assessment at each reporting date as to whether the debt instrument investments are still considered low credit risk, and then further determines the method of measuring the loss allowance and the loss rates.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, etc. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted interest payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than					More than	
	1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 years	Total
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
<u>As of September 30, 2023</u>							
Loans	\$2,855,467	\$2,686,652	\$3,797,138	\$3,050,867	\$2,646,898	\$4,286,963	\$19,323,985
Payables	7,159,256	-	-	-	-	-	7,159,256
Lease liabilities	134,250	114,418	15,697	11,015	8,014	15,539	298,933
<u>As of December 31, 2022</u>							
Loans	\$1,917,562	\$1,946,233	\$2,419,057	\$2,352,841	\$1,285,669	\$3,359,078	\$13,280,440
Payables	10,797,942	-	-	-	-	-	10,797,942
Lease liabilities	135,582	125,779	83,335	9,905	6,088	8,775	369,464

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

	Less than 1 year (NT\$'000)	1 to 2 years (NT\$'000)	2 to 3 years (NT\$'000)	3 to 4 years (NT\$'000)	4 to 5 years (NT\$'000)	More than 5 years (NT\$'000)	Total (NT\$'000)
<u>As of September 30, 2022</u>							
Loans	\$3,294,615	\$1,710,319	\$2,117,803	\$2,279,026	\$1,383,405	\$3,385,742	\$14,170,910
Payables	11,202,630	-	-	-	-	-	11,202,630
Lease liabilities	144,284	131,914	110,321	11,259	7,256	9,840	414,874

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the nine-month period ended September 30, 2023:

	Short-term borrowings (NT\$'000)	Long-term borrowings (NT\$'000)	Refundable deposits (NT\$'000)	Lease liabilities (NT\$'000)	Total liabilities from financing activities (NT\$'000)
As of January 1, 2023	\$376,620	\$12,075,501	\$4,884,255	\$363,360	\$17,699,736
Cash flows	594,821	5,210,665	221,565	(105,774)	5,921,277
Non-cash changes					
Lease range changes	-	-	-	32,852	32,852
Interests on lease liabilities	-	-	-	2,770	2,770
Others	-	(19,024)	-	-	(19,024)
Foreign exchange movement	-	51,397	-	369	51,766
As of September 30, 2023	<u>\$971,441</u>	<u>\$17,318,539</u>	<u>\$5,105,820</u>	<u>\$293,577</u>	<u>\$23,689,377</u>

Reconciliation of liabilities for the nine-month period ended September 30, 2022:

	Short-term borrowings	Long-term borrowings	Refundable deposits	Lease liabilities	Total liabilities from financing activities
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
As of January 1, 2022	\$1,099,846	\$10,078,111	\$1,820,407	\$161,503	\$13,159,867
Cash flows	810,832	1,310,554	269,387	(80,759)	2,310,014
Non-cash changes					
Lease range changes	-	-	-	323,363	323,363
Interests on lease liabilities	-	-	-	2,520	2,520
Others	-	(18,092)	-	-	(18,092)
Foreign exchange movement	-	154,793	-	998	155,791
As of September 30, 2022	<u>\$1,910,678</u>	<u>\$11,525,366</u>	<u>\$2,089,794</u>	<u>\$407,625</u>	<u>\$15,933,463</u>

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, receivables, payables and other current liabilities approximate their fair value due to their short maturities.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

(c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(d) Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and liabilities measure at amortized cost approximates their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(8) for fair value measurement hierarchy for financial instruments of the Group.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of September 30, 2023

	Level 1 (NT\$'000)	Level 2 (NT\$'000)	Level 3 (NT\$'000)	Total (NT\$'000)
<u>Financial assets:</u>				
Financial assets at fair value through profit or loss				
Funds	\$1,342,200	\$-	\$-	\$1,342,200
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	-	-	51,000	51,000
<u>Financial liabilities:</u>				
None				

As of December 31, 2022

	Level 1 (NT\$'000)	Level 2 (NT\$'000)	Level 3 (NT\$'000)	Total (NT\$'000)
<u>Financial assets:</u>				
Financial assets at fair value through profit or loss				
Funds	\$1,218,551	\$-	\$-	\$1,218,551
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	-	-	51,000	51,000

Financial liabilities:

None

As of September 30, 2022

	Level 1 (NT\$'000)	Level 2 (NT\$'000)	Level 3 (NT\$'000)	Total (NT\$'000)
<u>Financial assets:</u>				
Financial assets at fair value through profit or loss				
Funds	\$690,913	\$-	\$-	\$690,913
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	-	-	51,000	51,000

Financial liabilities:

None

Transfers between Level 1 and Level 2 during the period

For the nine-month period ended September 30, 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurement on a recurring basis in Level 3 hierarchy

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets
	Financial assets at fair value through other comprehensive income
	Stocks
Beginning balances as of January 1, 2023	\$51,000
Total gains and losses recognized for the nine-month period ended September 30, 2023:	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	-
Ending balances as of September 30, 2023	\$51,000
	Assets
	Financial assets at fair value through other comprehensive income
	Stocks
Beginning balances as of January 1, 2022	\$51,000
Total gains and losses recognized for the three-month period ended September 30, 2022:	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	-
Ending balances as of September 30, 2022	\$51,000

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of September 30, 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets at fair value through other comprehensive income					
Stocks	Comparable listed OTC companies law	Discount for lack of marketability	10%	The higher the discount for lack of marketability, the lower the fair value of the stocks	5% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's equity by NT\$2,295 thousand

As of December 31, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets at fair value through other comprehensive income					
Stocks	Comparable listed OTC companies law	Discount for lack of marketability	10%	The higher the discount for lack of marketability, the lower the fair value of the stocks	5% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's equity by NT\$2,295 thousand

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

As of September 30, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets at fair value through other comprehensive income					
Stocks	Comparable listed OTC companies law	Discount for lack of marketability	10%	The higher the discount for lack of marketability, the lower the fair value of the stocks	5% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's equity by NT\$2,295 thousand

(9) Significant financial assets and liabilities denominated in foreign currencies

Information regarding the Group's significant financial assets and liabilities denominated in foreign currencies was listed below: (In Thousands)

	As of					
	9/30/2023			12/31/2022		
	Foreign currencies (\$'000)	Foreign exchange Rate	NTD (NT\$'000)	Foreign currencies (\$'000)	Foreign exchange Rate	NTD (NT\$'000)
<u>Financial assets</u>						
Monetary items:						
USD	\$414,125	32.2848	\$13,369,925	\$358,240	30.718	\$11,004,250
CNY	\$85,586	4.4952	\$384,731	\$331,722	4.411	\$1,463,064
<u>Financial liabilities</u>						
Monetary items:						
USD	\$40,571	32.2749	\$1,309,436	\$74,920	30.717	\$2,301,343
CNY	\$80,347	4.4952	\$361,178	\$111,912	4.411	\$493,590

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

	As of		
	9/30/2022		
	Foreign currencies (\$'000)	Foreign exchange Rate	NTD (NT\$'000)
<u>Financial assets</u>			
Monetary items:			
USD	\$255,791	31.7498	\$8,121,334
CNY	\$379,129	4.4729	\$1,695,795
<u>Financial liabilities</u>			
Monetary items:			
USD	\$132,582	31.7564	\$4,210,313
CNY	\$119,672	4.4729	\$535,277

The above information was disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

	For the nine-month period ended	
	September 30,	
Foreign currency resulting in exchange gain or loss	2023 (NT\$'000)	2022 (NT\$'000)
USD	\$79,270	\$300,093
Other	14,862	(2,591)

(10) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. ADDITIONAL DISCLOSURES

(1) Information on significant transactions

- A. Financing provided to others: None.
- B. Endorsement/Guarantee provided to others: Please refer to attachment 1.
- C. Marketable securities held as of September 30, 2023 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 2.
- D. Individual securities acquired or disposed of with accumulated amount of at least NT\$300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: Please refer to attachment 3.
- E. Acquisition of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: None.
- F. Disposal of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: None.
- G. Related party transactions with purchase or sales amount of at least NT\$100 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: Please refer to attachment 4.
- H. Receivables from related parties of at least NT\$100 million or 20 percent of the paid-in capital as of September 30, 2023: None.
- I. Derivative instrument transactions: None.
- J. Intercompany relationships and significant intercompany transactions for the nine-month period ended September 30, 2023: Please refer to attachment 11.

(2) Information on investees

- A. Investees over whom the Company exercises significant influence or control (excluding investees in Mainland China): Please refer to attachment 5.

B. Investees over which the Company exercises control shall be disclosed of information under Note 13(1):

(a) Financing provided to others: None.

(b) Endorsement/Guarantee provided to others: None.

(c) Marketable securities held as of September 30, 2023 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 6.

(d) Individual securities acquired or disposed of with accumulated amount of at least NT\$300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: Please refer to attachment 7.

(e) Acquisition of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: Please refer to attachment 8.

(f) Disposal of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: None.

(g) Related party transactions with purchase or sales amount of at least NT\$100 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: Please refer to attachment 9.

(h) Receivables from related parties of at least NT\$100 million or 20 percent of the paid-in capital as of September 30, 2023: Please refer to attachment 10.

(i) Derivative instrument transactions: None.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

(3) Information on investments in Mainland China:

A. Name of investee in China, main business, paid-in capital, method of investment, investment flows, percentage of ownership, investment gain or loss, carrying amount at the end of reporting period, inward remittance of earning or loss and the upper limit on investment in China:

(In Thousands of New Taiwan Dollars)

Name of Investee in China	Main Business	Paid-in Capital (NT\$'000)	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2023 (NT\$'000)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Sep. 30, 2023 (NT\$'000)	Profit/ Loss of Investee (NT\$'000)	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss (NT\$'000)	Carrying Amount as of Sep. 30, 2023 (NT\$'000)	Accumulated Inward Remittance of Earnings as of Sep. 30, 2023 (NT\$'000)	Accumulated Outflow of Investment from Taiwan to Mainland China as of Sep. 30, 2023 (NT\$'000)	Investment Amounts Authorized by Investment Commission, MOEA (NT\$'000)	Upper Limit on Investment in China by Investment Commission, MOEA (NT\$'000)
					Outflow (NT\$'000)	Inflow (NT\$'000)									
Kinsus Interconnect Technology Suzhou Corp.	Manufacturing and selling PCB (not high-density fine-line)	\$2,259,250 (Note 2)	(2)	\$2,259,250 (Note 2)	\$-	\$-	\$2,259,250 (Note 2)	\$158,619 (Note 2 and Note 4)	100%	\$158,619 ((Note 2 & Note 4 & Note 11)	\$2,382,066 (Note 2 & Note 4 & Note 11)	\$623,600	\$1,678,300 (Note 2)	\$1,678,300 (Note 2)	No upper limit (Note 5)

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

Name of Investee in China	Main Business	Paid-in Capital (NT\$'000)	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2023 (NT\$'000)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Sep. 30, 2023 (NT\$'000)	Profit/ Loss of Investee (NT\$'000)	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss (NT\$'000)	Carrying Amount as of Sep. 30, 2023 (NT\$'000)	Accumulated Inward Remittance of Earnings as of Sep. 30, 2023 (NT\$'000)	Accumulated Outflow of Investment from Taiwan to Mainland China as of Sep. 30, 2023 (NT\$'000)	Investment Amounts Authorized by Investment Commission, MOEA (NT\$'000)	Upper Limit on Investment in China by Investment Commission, MOEA (NT\$'000)
					Outflow (NT\$'000)	Inflow (NT\$'000)									
Piotek Computer (Suzhou) Co., Ltd.	Researching, developing, producing and selling electronic components, PCBs and related products and providing after-sale services	\$6,477,593 (Note 2)	(3) (Note 10)	\$3,042,048 (Note 2)	\$-	\$-	\$3,042,048 (Note 2)	\$(143,982) (Note 2 and Note 4)	51%	\$(73,431) (Note 2, Note 4 and Note 11)	\$404,874 (Note 2, Note 4 and Note 11)	\$-	\$3,042,048 (Note 2)	\$3,042,048 (Note 2)	No upper limit (Note 5)

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

Name of Investee in China	Main Business	Paid-in Capital (NT\$'000)	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2023 (NT\$'000)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Sep. 30, 2023 (NT\$'000)	Profit/ Loss of Investee (NT\$'000)	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss (NT\$'000)	Carrying Amount as of Sep. 30, 2023 (NT\$'000)	Accumulated Inward Remittance of Earnings as of Sep. 30, 2023 (NT\$'000)	Accumulated Outflow of Investment from Taiwan to Mainland China as of Sep. 30, 2023 (NT\$'000)	Investment Amounts Authorized by Investment Commission, MOEA (NT\$'000)	Upper Limit on Investment in China by Investment Commission, MOEA (NT\$'000)
					Outflow (NT\$'000)	Inflow (NT\$'000)									
Pegavision (Jiangsu) Limited	Producing and Selling medical equipment	\$85,620 (USD 3,000)	(1)	\$85,620	\$-	\$-	\$85,620	\$(5,303) (Note 2 and Note 4)	29.55%	\$(1,567) (Note 2, Note 4 and Note 11)	\$22,207 (Note 2, Note 4 and Note 11)	\$-	\$85,620	\$85,620	\$5,649,092 (Note 6)
BeautyTech Platform (Shanghai) Corporation	Selling medical equipment and cosmetic products	\$14,885 (USD 500)	(3) (Note 3)	\$14,885	\$-	\$-	\$14,885	\$(712) (Note 2 and Note 4)	29.55%	\$(179) (Note 2, Note 4 and Note 11)	\$7,307 (Note 2, Note 4 and Note 11)	\$-	\$14,885	\$14,885	\$205,262 (Note 9)
Pegavision Contact Lenses (Shanghai) Corporation	Selling medical equipment	\$112,559 (USD 3,600)	(3) (Note 7)	\$112,559	\$-	\$-	\$112,559	\$34,509 (Note 2 and Note 4)	29.55%	\$8,668 (Note 2, Note 4 and Note 11)	\$32,678 (Note 2, Note 4 and Note 11)	\$-	\$95,043	\$95,043	

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

Name of Investee in China	Main Business	Paid-in Capital (NT\$'000)	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2023 (NT\$'000)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Sep. 30, 2023 (NT\$'000)	Profit/ Loss of Investee (NT\$'000)	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss (NT\$'000)	Carrying Amount as of Sep. 30, 2023 (NT\$'000)	Accumulated Inward Remittance of Earnings as of Sep. 30, 2023 (NT\$'000)	Accumulated Outflow of Investment from Taiwan to Mainland China as of Sep. 30, 2023 (NT\$'000)	Investment Amounts Authorized by Investment Commission, MOEA (NT\$'000)	Upper Limit on Investment in China by Investment Commission, MOEA (NT\$'000)
					Outflow (NT\$'000)	Inflow (NT\$'000)									
Gemvision Technology (Zhejiang) Limited	Selling medical equipment	\$94,807 (RMB 22,000) (Note 2)	(3) (Note 8)	\$-	\$-	\$-	\$-	\$34,725 (Note 2 and Note 4)	29.55%	\$8,722 (Note 2, Note 4 and Note 11)	\$29,820 (Note 2, Note 4 and Note 11)	\$-	\$-	\$-	\$205,262 (Note 9)

Note 1: The investment methods are divided into the following three types, just indicate the types:

- (1) Go directly to the mainland for investment.
- (2) Reinvest in mainland China through a third-region company.
- (3) Other methods.

Note 2: Amounts in foreign currencies are translated into New Taiwan dollars using the exchange rates on the balance sheet date.

Note 3: 100% Shares of BeautyTech Platform (Shanghai) owned and directly invested by BeautyTech Platform Corporation.

Note 4: Gain/loss on investment is recognized based on the financial statements which were reviewed by the independent auditors of the parent company in Taiwan.

Note 5: The Company meets the conditions of corporate operation headquarter in the Principle of Evaluation for Investment and Technical Cooperation in Mainland China. Thus, there is no upper limit on investment amount.

Note 6: The upper limit on investment for Pegavision (Jiangsu) Limited is calculated as 60% of the net value of the recent financial statements reviewed by independent auditors of Pagavision Corporation.

Note 7: To improve the synergy of the Group, the equity of Pegavision Contact Lenses (Shanghai) Corporation was transferred to BeautyTech Platform Corporation from Pagavision Corporation.

Note 8: 100% Shares of Gemvision Technology owned and directly invested by Pegavision Contact Lenses (Shanghai) Corporation.

Note 9: The upper limit on investment for BeautyTech Platform (Shanghai) Corporation, Pegavision Contact Lenses (Shanghai) Corporation and Gemvision Technology (Zhejiang) Limited are calculated as 60% of the net value of the recent financial statements reviewed by independent auditors of BeautyTech Platform Corporation.

Note 10: Please refer to Note 4(3) for details.

Note 11: Transactions are eliminated upon preparation of consolidated financial statements.

B. Significant transactions with investees in China:

- (a) Purchase and balances of related accounts payable as of September 30, 2023: Please refer to attachment 11 for details.
- (b) Sale and balance of related accounts receivable as of September 30, 2023: Please refer to attachment 11 for details.
- (c) Property transaction amounts and resulting gain or loss:

Variety	Related parties	Carrying Value	Price	Gain on disposal	Reference basis for price decision
Machinery	Kinsus Interconnect Technology Suzhou Corp.	<u>\$266,666</u>	<u>\$329,617</u>	<u>\$62,951</u> (Note)	Negotiated price

Note: For the year ended December 31, 2019, the Company wrote off NT\$38,556 thousand due to the unrealized gain on disposal of property, plant and equipment. As of September 30, 2023, unrealized gain on disposal of property, plant and equipment is NT\$139 thousand, that recongnized as the credit balance of investments accounted for using the equity method.

For the year ended December 31, 2021, the Company wrote off NT\$16,617 thousand due to the unrealized gain on disposal of property, plant and equipment. As of September 30, 2023, unrealized gain on disposal of property, plant and equipment is NT\$1,372 thousand, and recongnized as the credit balance of investments accounted for using the equity method.

For the three-month period ended March 31, 2023, the Company wrote off NT\$7,778 thousand due to the unrealized gain on disposal of property, plant and equipment. As of September 30, 2023, unrealized gain on disposal of property, plant and equipment is NT\$7,752 thousand, and recongnized as the credit balance of investments accounted for using the equity method.

- (d) Ending balance of endorsements/guarantees or collateral provided and the purposes:
None.

(e) Maximum balance, ending balance, interest rate range and total interest for current period from financing provided to others: None.

(f) Transactions that have significant impact on profit or loss of current period or the financial position, such as services provided or rendered: Please refer to attachment 11 for details.

(g) Above transactions are eliminated upon preparation of consolidated financial statements. Please refer to attachment 11 for details.

(4) Information on major shareholders:

Name	Ownership of shares	Number of shares held (shares)	Ownership ratio
Asus Investment Co., Ltd.		60,128,417	13.23%
Asustek Investment Co., Ltd.		58,233,091	12.81%
Asuspower Investment		55,556,221	12.22%

14. SEGMENT INFORMATION

(1) For management purposes, the Group is organized into business units based on their products and services and has three reportable operating segments as follows:

IC Substrate: This segment produces and manufactures BGA substrates and sells the products to manufacturers of electronic products.

Optics: This segment produces, manufactures and sells contact lens.

Printed Circuit Board (PCB): This segment produces and manufactures PCBs and sells the products to manufacturers of electronic products.

No operating segments have been aggregated to form the above reportable operating segments.

The Group's operating segments adopts the same accounting policies as the ones in Note 4. Management monitors the operating results of its business units separately for decision-making on resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and measured consistently with methods applied to operating profit or loss in the consolidated financial statements.

For the three-month period ended September 30, 2023

	IC Substrate (NT\$'000)	PCB (NT\$'000)	Optics (NT\$'000)	Elimination (NT\$'000)	Consolidated (NT\$'000)
Revenue					
External customer	\$4,369,311	\$(25)	\$1,676,885	\$-	\$6,046,171
Inter-segment	-	-	-	-	-
Total revenue	<u>\$4,369,311</u>	<u>\$(25)</u>	<u>\$1,676,885</u>	<u>\$-</u>	<u>\$6,046,171</u>
Segment profit (loss)	<u>\$(426,610)</u>	<u>\$(48,279)</u>	<u>\$382,589</u>	<u>\$-</u>	<u>\$(92,300)</u>

For the nine-month period ended September 30, 2023

	IC Substrate (NT\$'000)	PCB (NT\$'000)	Optics (NT\$'000)	Elimination (NT\$'000)	Consolidated (NT\$'000)
Revenue					
External customer	\$14,591,519	\$(421)	\$4,751,626	\$-	\$19,342,724
Inter-segment	-	-	-	-	-
Total revenue	<u>\$14,591,519</u>	<u>\$(421)</u>	<u>\$4,751,626</u>	<u>\$-</u>	<u>\$19,342,724</u>
Segment income (loss)	<u>\$(562,524)</u>	<u>\$(146,974)</u>	<u>\$1,099,861</u>	<u>\$-</u>	<u>\$390,363</u>

For the three-month period ended September 30, 2022

	IC Substrate (NT\$'000)	PCB (NT\$'000)	Optics (NT\$'000)	Elimination (NT\$'000)	Consolidated (NT\$'000)
Revenue					
External customer	\$9,888,760	\$13,871	\$1,641,790	\$-	\$11,544,421
Inter-segment	-	-	-	-	-
Total revenue	<u>\$9,888,760</u>	<u>\$13,871</u>	<u>\$1,641,790</u>	<u>\$-</u>	<u>\$11,544,421</u>
Segment income (loss)	<u>\$2,045,351</u>	<u>\$(25,421)</u>	<u>\$421,337</u>	<u>\$-</u>	<u>\$2,441,267</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

For the nine-month period ended September 30, 2022

	IC Substrate (NT\$'000)	PCB (NT\$'000)	Optics (NT\$'000)	Elimination (NT\$'000)	Consolidated (NT\$'000)
Revenue					
External customer	\$27,669,451	\$798,003	\$4,544,837	\$-	\$33,012,291
Inter-segment	-	-	-	-	-
Total revenue	<u>\$27,669,451</u>	<u>\$798,003</u>	<u>\$4,544,837</u>	<u>\$-</u>	<u>\$33,012,291</u>
Segment income (loss)	<u>\$5,558,195</u>	<u>\$(222,102)</u>	<u>\$1,121,219</u>	<u>\$-</u>	<u>\$6,457,312</u>

The following table presents segment assets and liabilities of the Group's operating segments as of September 30, 2023, December 31, 2022 and September 30, 2022:

	IC Substrate (NT\$'000)	PCB (NT\$'000)	Optics (NT\$'000)	Elimination (NT\$'000)	Consolidated (NT\$'000)
<u>Segment assets</u>					
As of 09/30/2023	<u>\$63,078,262</u>	<u>\$882,191</u>	<u>\$12,436,988</u>	<u>\$-</u>	<u>\$76,397,441</u>
As of 12/31/2022	<u>\$61,997,159</u>	<u>\$1,074,660</u>	<u>\$9,561,597</u>	<u>\$-</u>	<u>\$72,633,416</u>
As of 09/30/2022	<u>\$57,600,251</u>	<u>\$1,385,199</u>	<u>\$9,088,154</u>	<u>\$-</u>	<u>\$68,073,604</u>
	IC Substrate (NT\$'000)	PCB (NT\$'000)	Optics (NT\$'000)	Elimination (NT\$'000)	Consolidated (NT\$'000)
<u>Segment liabilities</u>					
As of 09/30/2023	<u>\$34,828,222</u>	<u>\$17,689</u>	<u>\$3,021,834</u>	<u>\$-</u>	<u>\$37,867,745</u>
As of 12/31/2022	<u>\$29,581,465</u>	<u>\$1,160,193</u>	<u>\$3,075,865</u>	<u>\$-</u>	<u>\$33,817,523</u>
As of 09/30/2022	<u>\$26,243,596</u>	<u>\$1,473,366</u>	<u>\$3,028,672</u>	<u>\$-</u>	<u>\$30,745,634</u>

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Endorsement/Guarantee Provided to Others

For the nine-month period ended September 30, 2023

Attachment 1

(In Thousands of Foreign Currency / New Taiwan Dollars)

Endorsement/ Guarantee Provider		Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee secured by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Worth per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowed	Endorsement provided by parent company to subsidiaries	Endorsement provided by subsidiaries to parent company	Endorsement provided to entities in China
No. (Note 1)	Name	Name	Nature of Relationship										
-	-	-	-	-	\$-	\$-	\$-	\$-	-%	-	-	-	-

Note 1: Kinsus Interconnect Technology Corp. is coded "0".

Note 2: The endorsement and guaranteed amount of the Company and the consolidated subsidiary is NT\$157,181 thousand.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Marketable Securities Held (Excluding Investments in Subsidiaries, Associates and Joint Ventures)

As of September 30, 2023

Attachment 2

(In Thousands of New Taiwan Dollars)

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Issuer	Financial Statement Account	As of September 30, 2023			Fair Value	Note
				Shares / Units	Carrying Amount	Shareholding %		
Kinsus Interconnect Technology Corp.	Money market funds:							
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss	21,355,432	\$257,509	-%	\$274,601	
	Jih Sun Money Market	-	Financial assets at fair value through profit or loss	17,776,549	255,443	-%	270,305	
	Subtotal				512,952		\$544,906	
	Add: Valuation adjustments of financial assets at fair value through profit or loss				31,954			
	Total				\$544,906			

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Individual Securities Acquired or Disposed of with accumulated amount of At Least NT\$300 Million or 20% of The Paid-In Capital

For the nine-month period ended September 30, 2023

Attachment 3

(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain/Loss on Disposal	Shares/Units	Amount
Kinsus Interconnect Technology Corp.	Stock: Pegavision Corporation	Investment accounted for using the equity method	-	Parent company	-	\$-	1,820,034	\$564,210	-	\$-	\$-	\$-	1,820,034	\$564,210

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Related Party Transactions with Purchase or Sales Amount of At least NT\$ 100 Million or 20% of the Paid-in Capital

For the nine-month period ended September 30, 2023

Attachment 4

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/ Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	
Kinsus Interconnect Technology Corp.	Kinsus Interconnect Technology Suzhou Corp.	Investee accounted for using the equity method indirectly	Purchase	\$1,196,156	22.49%	Payment within 60 days from the end of delivery month	Specs of goods purchased are different from others. Cannot be reasonably compared.	Other vendors also enjoy payment within 30~90 days from the end of delivery month.	Accounts payable \$(335,647)	(17.54)%	Note

Note : Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
Kinsus Interconnect Technology Corp. and Subsidiaries
Investees over Which the Company Exercise Significant Influence or Control Directly or Indirectly (Excluding Investees in Mainland China)
As of September 30, 2023

Attachment 5

(In Thousands of Foreign Currency / New Taiwan Dollars)

Investor	Investee	Business Location	Main Business and Product	Original Investment Amount		Ending balance			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee	Note
				As of Dec. 31, 2022	As of Sep. 30, 2023	Shares	%	Carrying Value			
Kinsus Interconnect Technology Corp.	KINSUS CORP. (USA)	CA U.S.A.	Designing substrates, formulating marketing strategy analysis, developing new customers, researching and development new product technology	USD 500	USD 500	500,000	100.00%	\$84,976	\$9,230	\$9,230	Note
Kinsus Interconnect Technology Corp.	KINSUS HOLDING (SAMOA) LIMITED	Samoa	Investing activities	USD 164,309	USD 164,309	164,308,720	100.00%	\$2,743,951	\$82,181	\$98,296 (Note 5)	Note
Kinsus Interconnect Technology Corp.	Kinsus Investment Co., Ltd.	Taiwan	Investing activities	\$1,600,000 (Note 1)	\$1,600,000 (Note 1)	160,000,000	100.00%	\$3,187,713	\$311,565	\$311,565	Note
Kinsus Interconnect Technology Corp.	Pegavision Corporation	Taiwan	Manufacturing medical equipment	Not applicable	\$564,210 (Note 3)	1,820,034	2.33%	\$218,065	\$1,082,268	\$3,797	Note
Kinsus Investment Co., Ltd.	Pegavision Corporation	Taiwan	Manufacturing medical equipment	\$252,455 (Note 2)	\$252,455 (Note 2)	21,233,736	27.22%	\$2,544,099	\$1,082,268	\$323,232	Note
Kinsus Investment Co., Ltd.	FuYang Technology Corp.	Taiwan	Electronic Parts and Components Manufacturing	\$929,422	\$929,422	64,176,872	35.65%	\$387,439	\$(38,487)	\$(13,722)	
Kinsus Investment Co., Ltd.	Zhuhe Investment Co., Ltd.	Taiwan	Investing activities	Not applicable	\$30,000 (Note 4)	3,000,000	17.65%	\$29,980	\$(115)	\$(20)	
KINSUS HOLDING (SAMOA) LIMITED	KINSUS HOLDING (CAYMAN) LIMITED	Cayman Islands	Investing activities	USD 70,000	USD 70,000	70,000,000	100.00%	USD 73,805	USD 4,915	USD 4,915	Note
KINSUS HOLDING (SAMOA) LIMITED	PIOTEK HOLDINGS LTD. (CAYMAN)	Cayman Islands	Investing activities	USD 94,309	USD 94,309	95,755,000	51.00%	USD 11,536	USD (4,427)	USD (2,258)	Note
PIOTEK HOLDINGS LTD. (CAYMAN)	PIOTEK HOLDING LIMITED	British Virgin Islands	Investing activities	USD 139,841	USD 139,841	139,840,790	100.00%	USD 22,619	USD (4,427)	USD (4,427)	Note
PIOTEK HOLDING LIMITED	PIOTEK (H.K.) TRADING LIMITED	Hong Kong	Trading activities	USD 26	USD 26	200,000	100.00%	USD 2,188	USD 34	USD 34	Note
Pegavision Corporation	PEGAVISION JAPAN INC.	Japan	Selling Medical equipment	JPY 9,900	JPY 9,900	198	100.00%	\$115,322	\$28,720	\$28,720	Note
Pegavision Corporation	Mayin Investment Co., Ltd.	Taiwan	Investing activities	\$246,003	\$246,003	21,000,000	100.00%	\$448,871	\$103,215	\$103,215	Note
Pegavision Corporation	Zhuhe Investment Co., Ltd.	Taiwan	Investing activities	Not applicable	\$20,000	2,000,000	11.76%	\$19,986	\$(115)	\$(14)	
Mayin Investment Co., Ltd.	BeautyTech Platform Corporation	Taiwan	Selling medical equipment and cosmetic products	\$107,500	\$107,500	8,500,000	85.00%	\$290,788	\$127,039	\$107,983	Note
Mayin Investment Co., Ltd.	FacialBeau International Corporation	Taiwan	Selling medical equipment and cosmetic products	\$27,500	\$27,500	2,750,000	55.00%	\$26,095	\$742	\$408	Note
BeautyTech Platform Corporation	Beautytech Platform (Singapore) Pte. Ltd.	Singapore	Selling medical equipment and cosmetic products	USD 200	USD 200	200,000	100.00%	\$6,317	\$(80)	\$(80)	Note
FacialBeau International Corporation	Aquamax Vision Corporation	U.S.A.	Selling medical equipment and cosmetic products	USD 1,100	USD 1,100	11,000,000	100.00%	\$7,030	\$(206)	\$(206)	Note
FacialBeau International Corporation	RODNA Co., Ltd.	Korea	Selling medical equipment and cosmetic products	KRW 100,000	KRW 100,000	-	100.00%	\$2,233	\$(58)	\$(58)	Note
FacialBeau International Corporation	IKIDO Inc.	Japan	Selling medical equipment and cosmetic products	Not applicable	JPY 9,900	198	100.00%	\$2,096	\$(46)	\$(46)	Note

Note : Transactions are eliminated when preparing the consolidated financial statements.

Note 1: The Company's original investment in Kinsus Investment Co., Ltd. was NT\$500,000 thousand. Kinsus Investment Co., Ltd. reduced capital by NT\$102,000 thousand to offset deficits in 2013, and increased capital by NT\$602,000 thousand and NT\$600,000 thousand in 2016 and 2017, respectively. After the increases, the Company's investment amount increased to NT\$1,600,000 thousand.

Note 2: Kinsus Investment Co., Ltd. invested Pegavision Corporation in cost of NT\$286,418 thousand.

As Pegavision Corporation has become a listed company since October, 2019, Kinsus Investment Co., Ltd decreased its investment by NT\$33,963 thousand in selling 855 thousand shares.

Note 3: The Company participated in the cash capital increase of Pegavision Corporation and acquired 1,820,034 shares at a price of NT\$310 per share on September 7, 2023. The Company's investment amount was NT\$564,210 thousand.

Note 4: Kinsus Investment Co., Ltd. invested Zhuhe Investment Co., Ltd. with 3,000,000 shares in cost of NT\$30,000 thousand in August 2023.

Note 5: It includes the investment income accounted for using equity method of NT\$82,181 thousand, realized benefits on upstream transactions of NT\$26,540 thousand and the unrealized benefits on upstream transactions of NT\$10,425 thousand.

Kinsus Interconnect Technology Corp. and Subsidiaries

Marketable Securities Held (Excluding Investments in Subsidiaries, Associates and Jointly Ventures)

As of September 30, 2023

Attachment 6

(In Thousands of New Taiwan Dollars)

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Issuer	Financial Statement Account	As of September 30, 2023				Guarantee, Pledge or Other Restricted Conditions		
				Shares (Unit)	Carrying Amount	%	Fair Value	Shares	Carrying Amount	Note
Kinsus Investment Co., Ltd.	Money market funds:									
	Taishin Ta Chong Money Market Fund	-	Financial assets at fair value through profit or loss	829,070	\$11,314	-%	\$12,074	-	\$-	
Pegavision Corporation	Money market funds:									
	Yuanta Wan-Tai Money Market Fund	-	Financial assets at fair value through profit or loss	322,184	4,964	-%	\$670,084	-	\$-	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss	836,170	13,890	-%				
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss	5,836,076	75,000	-%				
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	36,721,378	575,771	-%				
Mayin Investment Co., Ltd.	Money market funds:									
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss	392,329	5,000	-%	\$5,045	-	\$-	
BeautyTech Platform Corporation	Money market funds:									
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss	502,952	8,360	-%	\$110,091	-	\$-	
	Yuanta Wan-Tai Money Market Fund	-	Financial assets at fair value through profit or loss	2,221,592	34,235	-%				
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	4,286,212	67,000	-%				
	Valuation adjustments of financial assets held for trading				1,760					
	Total				\$797,294					
Kinsus Investment Co., Ltd.	Stocks:									
	Ethos Original Co., Ltd.	-	Measured at fair value through other comprehensive income	5,000,000	\$50,000	7.49%	\$50,000	-	\$-	
	Li Chang Finery Inc	-	Measured at fair value through other comprehensive income	32,653	1,000	1.01%	1,000	-	-	
	Total				\$51,000		\$51,000		\$-	

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Individual Securities Acquired or Disposed of with accumulated amount of At Least NT\$300 Million or 20% of The Paid-In Capital

For the nine-month period ended September 30, 2023

Attachment 7

(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain/Loss on Disposal	Shares/Units	Amount
Pegavision Corporation	Money market funds:													
	Yuanta Wan-Tai Money Market Fund	Financial assets at fair value through profit or loss	-	-	17,190,427	<u>\$264,208</u>	34,372,508	<u>\$529,000</u>	51,240,751	<u>\$790,500</u>	<u>\$788,035</u>	<u>\$2,465</u>	322,184	<u>\$4,995</u>
	Market Fund										<u>\$(178)</u>			
	Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss	-	-	18,482,095	<u>\$306,237</u>	24,704,233	<u>\$410,000</u>	42,350,158	<u>\$704,500</u>	<u>\$702,110</u>	<u>\$2,390</u>	836,170	<u>\$13,975</u>
											<u>\$(152)</u>			
Mega Diamond Money Market Fund	Financial assets at fair value through profit or loss	-	-	-	-	<u>\$-</u>	62,760,346	<u>\$805,000</u>	56,924,270	<u>\$731,522</u>	<u>\$730,000</u>	<u>\$1,522</u>	5,836,076	<u>\$75,044</u>
											<u>\$44</u>			
FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss	-	-	-	-	<u>\$-</u>	173,643,265	<u>\$2,717,224</u>	136,921,888	<u>\$2,145,000</u>	<u>\$2,141,453</u>	<u>\$3,547</u>	36,721,377	<u>\$576,070</u>
											<u>\$299</u>			

Kinsus Interconnect Technology Corp. and Subsidiaries

Individual Securities Acquired or Disposed of with accumulated amount of At Least NT\$300 Million or 20% of The Paid-In Capital

For the nine-month period ended September 30, 2023

Attachment 8

(In Thousands of Foreign Currency / New Taiwan Dollars)

The Company that acquired the real estate	Property name	Date of occurrence (Note 1)	Transaction amount	Payment status of the purchase price	Transaction parties	Relation	For related party transactions, the previous transfer data				The reference basis for price determination	The purpose of acquisition and its utilization	Other agreed-upon provisions
							All the parties	Relationship to the Company	Transfer date	Amount			
Pegavision Corporation	Land	9/21/2023	<u>\$1,912,290</u>	In accordance with the contract.	PEGATRON CORPORATION	Ultimate parent company	ASUSTEK COMPUTER INCORPORATION	Non-related party	97.1	Note 2	The price determined based on the valuation by a professional appraisal agency	Meeting business growth needs	None
	Real-estate and buildings	9/21/2023	<u>\$1,127,710</u>	In accordance with the contract.	PEGATRON CORPORATION	Ultimate parent company	ASUSTEK COMPUTER INCORPORATION	Non-related party	97.1	Note 2	The price determined based on the valuation by a professional appraisal agency	Meeting business growth needs	None
PEGAVISION VIETNAM COMPANY LIMITED	Right-of-use assets, land	7/5/2023	<u>USD \$8,800</u>	In accordance with the contract. Note 3	GREEN i-PARK CORPORATION	-	-	-	-	-	The price determined based on the valuation by a professional appraisal agency	Capacity expansion	None

Note 1 : The date of occurrence of the event referred to means the date of agreement, date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of a resolution of the board of directors or a committee established by it, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.

Note 2 : The total transfer amount amounted to NT\$1,415,191 thousand.

Note 3 : A deposit of NT\$82,574 thousand (USD 2,640 thousand) has been paid.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Acquisition of Individual Real Estate with Amount of at Least NT\$ 100 million or 20% of the Paid-in Capital

For the nine-month period ended September 30, 2023

Attachment 9

(In Thousands of Foreign Currency / New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	
Kinsus Interconnect Technology Suzhou Corp.	Kinsus Interconnect Technology Corp.	Parent company	Sales	USD 38,769	70.88%	Payment within 60 days from the end of delivery month	Specs of goods sold are different from others. Cannot be reasonably compared.	No non-related parties to be compared with.	Accounts receivable USD 10,620	 80.39%	Note
Pegavision Corporation	Pegavision Japan Inc.	Also a subsidiary under the Company's control	Sales	\$2,018,856	47.95%	Payment within 90 days from the end of delivery month	Similar to those to third party customers.	Payment within 90 days from telegraphic transfer.	Accounts receivable \$507,085	 46.03%	Note
Pegavision Corporation	BeautyTech Platform Corporation	Also a subsidiary under the Company's control	Sales	\$208,884	4.96%	Payment within 120 days from the end of delivery month	Similar to those to third party customers.	Payment within 90 days from telegraphic transfer.	Accounts receivable \$74,352	 6.75%	Note
Pegavision Corporation	Gemvision Technology (Zhejiang) Limited	Also a subsidiary under the Company's control	Sales	\$214,618	5.10%	Payment within 180 days from the end of delivery month	Similar to those to third party customers.	Payment within 90 days from telegraphic transfer.	Accounts receivable \$149,089	 13.53%	Note

Note : Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Receivables from Related Parties of at Least NT\$ 100 Million or 20% of the Paid-in Capital

As of September 30, 2023

Attachment 10

(In Thousands of Foreign Currency / New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Ratio	Overdue		Amount Received in Subsequent Periods	Loss Allowance
					Amount	Action Taken		
Kinsus Interconnect Technology Suzhou Corp.	Kinsus Interconnect Technology Corp.	Parent company	<u>USD 10,620</u> (Note and Note 1)	<u>5.53</u>	<u>\$-</u>	-	<u>\$-</u>	<u>\$-</u>
Pegavision Corporation	Pegavision Japan Inc.	Subsidiary	<u>\$507,085</u> (Note and Note 1)	<u>6.39</u>	<u>\$-</u>	-	<u>\$226,944</u>	<u>\$-</u>
Pegavision Corporation	Gemvision Technology (Zhejiang) Limited	Subsidiary	<u>\$149,089</u> (Note and Note 1)	<u>2.65</u>	<u>\$-</u>	-	<u>\$35,410</u>	<u>\$-</u>

Note : Accounts receivable.

Note 1: Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries
Intercompany Relationships and Significant Intercompany Transactions for the Nine-Month Period Ended September 30, 2023

Attachment 11

(In Thousands of Foreign Currency / New Taiwan Dollars)

No. (Note 1)	Company Name	Counter-Party	Nature of Relationship (Note 2)	Intercompany Transaction			
				Financial Statement Account	Amount (Note 4)	Terms	Percentage to Consolidated Net Revenue or Total Assets (Note 3)
0	<u>2023.01.01~2023.09.30</u> Kinsus Interconnect Technology Corp.	Kinsus Interconnect Technology Suzhou Corp.	1	Other receivables	\$30,279	Payment within 60 days from the end of delivery month	0.04%
0	Kinsus Interconnect Technology Corp.	Kinsus Interconnect Technology Suzhou Corp.	1	Accounts payable	\$335,647	Payment within 60 days from the end of delivery month	0.44%
0	Kinsus Interconnect Technology Corp.	Kinsus Interconnect Technology Suzhou Corp.	1	Sales revenue	\$17,146	Payment within 30 days from the end of delivery month	0.09%
0	Kinsus Interconnect Technology Corp.	Kinsus Interconnect Technology Suzhou Corp.	1	Purchase	\$1,196,156	Payment within 60 days from the end of delivery month	6.18%
0	Kinsus Interconnect Technology Corp.	KINSUS CORP. (USA)	1	Commission expense	\$35,852	Payment within 30 days from the end of delivery month by TT	0.19%
1	Pegavision Corporation	Pegavision Japan Inc.	3	Sales revenue	\$2,018,856	Payment within 90 days from the end of delivery month	10.44%
1	Pegavision Corporation	Pegavision Japan Inc.	3	Accounts receivable	\$507,085	Payment within 90 days from the end of delivery month	0.66%
1	Pegavision Corporation	Gemvision Technology (Jiangsu) Limited	3	Sales revenue	\$17,414	Payment within 180 days from the end of delivery month	0.09%
1	Pegavision Corporation	Gemvision Technology (Jiangsu) Limited	3	Accounts receivable	\$16,184	Payment within 180 days from the end of delivery month	0.02%
1	Pegavision Corporation	Gemvision Technology (Zhejiang) Limited	3	Sales revenue	\$214,618	Payment within 180 days from the end of delivery month	1.11%
1	Pegavision Corporation	Gemvision Technology (Zhejiang) Limited	3	Accounts receivable	\$149,089	Payment within 180 days from the end of delivery month	0.20%
1	Pegavision Corporation	BeautyTech Platform Corporation	3	Sales revenue	\$208,884	Payment within 120 days from the end of delivery month	1.08%
1	Pegavision Corporation	BeautyTech Platform Corporation	3	Accounts receivable	\$74,352	Payment within 120 days from the end of delivery month	0.10%
1	Pegavision Corporation	BeautyTech Platform Corporation	3	Operating expenses	\$40,560	Payment within 120 days from the end of delivery month	0.21%
1	Pegavision Corporation	FacialBeau International Corporation	3	Sales revenue	\$34,645	Payment within 90 days from the end of delivery month	0.18%
2	FacialBeau International Corporation	BeautyTech Platform Corporation	3	Sales revenue	\$49,357	Payment within 30 days from the end of delivery month	0.26%
3	BeautyTech Platform (Shanghai) Corporation	Gemvision Technology (Zhejiang) Limited	3	Service revenue	\$31,719	Payment within 30 days from the end of delivery month	0.16%

Note 1: Transaction information between Parent company and its subsidiaries should be disclosed by codes below:

(1) Parent company is coded "0".

(2) The subsidiaries are coded from "1" in the order presented in the table above.

Note 2: Relationship are divided into the following three types and the types are required to be indicated:

(1) From the parent company to a subsidiary.

(2) From a subsidiary to the parent company.

(3) Between subsidiaries.

Note 3: Regarding the percentage of transaction amount to consolidated operating revenues or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet items; and based on interim accumulated amount to consolidated net revenue for income statement items.

Note 4: Transactions exceeding NT\$15,000 thousand have been disclosed. All the transactions have been eliminated when preparing the consolidated financial statements.